

**FREDERICKSBURG SEWER & WATER AUTHORITY  
MEETING MINUTES  
December 5, 2016**

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

**ROLL CALL** Roll call was taken by Secretary Jon Kees. Jim Heisey, Rick Rudy, Tom Demler, Kevin Helms, Dale Bevans, and Bev Martel of the Board were present. Paul Lutzkanin, Kevin Snader, Tony Fitzgibbons and Jon Kees were also present.

**COMMENTS/COMPLAINTS**

**Geoff Hamer – Think Energy Sales Associate:** At the last Board Meeting, Mr. Kees presented for Board approval a quote from Think Energy for electric services beginning in October of 2017. The Board requested Mr. Fitzgibbons to look into the matter with Mr. Kees to ensure the Authority would be secure. After doing research, Mr. Fitzgibbons believes the quote and contract are acceptable. Based on the recommendation of Mr. Fitzgibbons, Mrs. Martel made a motion to allow Mr. Kees to work with Mr. Hamer on finalizing the contracts for a three-year contract at a rate of \$0.062 per kWh. Mr. Bevans seconded the motion, and the Board voted in favor of the motion.

**MEETING MINUTES** The meeting minutes from November 21<sup>st</sup>, 2016 were presented. With no corrections or additions, the minutes were adopted by the Board.

**TREASURER'S REPORT**

**Bills Payables** - The payables were presented to the Board for approval to be paid in the amounts of \$161,405.14 from the Sewer Fund and \$133,102.86 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. Demler 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** – Mr. Kees informed the Board that the \$272,797.38 tapping fee installment from Hain had been paid, and deposited to the bank before Thanksgiving. Mr. Kees also informed the Board that he mailed a letter to Fulton Bank to request a reduction of the Letter of Credit held against Bell & Evans, which was approved by the Board at the last meeting.

Mr. Kees presented to the Board the 2017 draft meeting schedule, and holiday schedule. Mr. Heisey stated that the draft has a scheduled meeting on July 3<sup>rd</sup>. Mr. Heisey presented the possibility of granting a four-day weekend, and eliminating the meeting entirely. Mr. Rudy believes that it would be beneficial to keep the scheduled meeting time in case the Authority would need to meet. At a later date, the Board could agree to cancel the meeting. After a brief discussion, Mr. Bevans made a motion to approve both the meeting and holiday schedule as presented for 2017. Mr. Rudy seconded the motion, and the Board voted in favor of the motion to be carried.

**OPERATION MANAGER'S REPORT** – Mr. Snader informed the Board that progress is being made on all of his projects. Mr. Snader informed the Board that he believes Mr.

Brandon Nye has passed his water license test, but official word has not been received from the governing water agencies.

**SOLICITOR'S REPORT** – Mr. Fitzgibbons presented to the Board the bids for the new water source funding from Fulton Bank and First Citizens Bank. Based off of the numbers presented, Mr. Fitzgibbons would recommend going with the Fulton Bank funding option. The bid from Fulton Bank would be at a variable rate starting at 2.37%, capped at 3%, which is lower than their fixed rate percentage which is 3.13%. Mr. Fitzgibbons informed the Board that he did some research regarding the Letter of Credit to which First Citizens Bank contacted Mr. Kees. The Letter of Credit is in favor of the Lebanon County Commissioners, and pertains to the Tree Line Avenue properties that have sewer and water services. The streets have currently not been dedicated to the Township, but this Letter of Credit will give leverage needed to resolve the matter. Mr. Fitzgibbons requested approval from the Board to work with the Township in resolving this matter. With no objection, the Board authorizes Mr. Fitzgibbons to work with the Township to resolve this matter.

Mr. Fitzgibbons has been in contact with the attorney for US Real Estate concerning the legal descriptions and drawings for the water line rights of way across the property. The descriptions and drawings are in process, and Mr. Fitzgibbons will review them before finalizing. Mr. Rudy requested the Operations Staff make sure that the hydrant fittings are proper sizings to avoid destruction of the hydrant connectors. Mr. Fitzgibbons stated he would need to do more research regarding the properties along Airport Road, and other locations, that would need to connect to the water system. Ms. Kathy Gamble and Mr. Snader will be consulted to ensure the proper people are informed of their need to connect.

Mrs. Martel inquired to the status of the Full Circle Mountain Golf Course and Mr. Caporeletti. Mr. Fitzgibbons has not heard anything regarding the matter, but will contact Mr. Caporeletti to see if there has been any progress regarding the golf course. Mr. Rudy questioned how Mr. Caporeletti's possible lack of payment would affect the 2017 budget. Mr. Heisey informed the Board that the Budget Committee had not included any funds from Mr. Caporeletti for 2017, and therefore the Authority would not be in a questionable financial state. Mr. Fitzgibbons stated that that was the most conservative and prudent measure the Budget Committee could have been taken.

**ENGINEER'S REPORT** – Mr. Lutzkanin presented to the Board the finalized quotes for the Volute Press. With everything included, the total cost would be \$301,000. A quote for a new service truck is still in progress. Mr. Lutzkanin informed the Board that SESI attended a November Bethel Township Planning Commission meeting and they gave their preliminary approval, subject to the obtaining of Swatara Township's agreement to waive their need for plan approval since a small section of the land lies in Swatara Township, and confirming the location of the Greble Road right of way line on the residual land on the Martin farm. At the December 1<sup>st</sup> Swatara Township meeting, they agreed to the waiver, and the next step is to attend the next Bethel Township Planning Commission and Supervisors meeting to gain further approvals.

**OLD BUSINESS** – None

**NEW BUSINESS** – Mrs. Martel inquired as to if there was a new Board appointment needed. Mr. Rudy will check with Bethel Township, and Mr. Demler will check with Swatara Township.

### **COMMITTEE REPORTS**

**Budget Committee** – Before the public session, the Budget Committee met and approved the draft budgets for 2017. Mr. Heisey went through the budgets, and explained decreases in debt service due to no longer having the bridge loan for the South Fredericksburg plant. Mr. Heisey informed the Board that, based off of the budget numbers, the sewer fund would have a surplus of \$31,425 with a reserve of \$50,000. The water fund would have a surplus of \$1,009.50, and a reserve of \$35,000. Mr. Heisey informed the Board that the water rate table would have an increase in charges to \$5.10 per gallon for a gallon usage from 25,001 to 90,000. Mr. Rudy inquired as to how long the Hain tapping fee would be scheduled. Mr. Kees informed the Board that the Authority will be getting at least two more payments of over \$250,000. Mr. Bevans made a motion to accept the presented budgets for water and sewer for 2017. Mr. Demler seconded the motion, and the Board voted in favor for the budgets to be adopted. The budgets will be posted on the website, and in the office.

At this time, Mr. Daryl Peck presented to the Board the bids for the water financing options. Along with an explanation of the bids, Mr. Peck presented a debt service fee schedule. Mr. Peck, along with Mr. Fitzgibbons, would recommend going with the Fulton Variable Loan at a current 2.37%, with a cap limit of 3%. The Board was presented with Resolution 2016-03, which would allow for the approval of the financing option. Mr. Bevans made a motion to adopt Resolution 2016-03. Mr. Helms seconded the motion, and the Board voted in favor for the motion to be adopted, effective immediately. Mr. Heisey will sign off on the copies at the end of the meeting.

**Building Committee** – None

**Operations Committee** – None

### **ADJOURNMENT**

Mr. Rudy made a motion to adjourn the meeting. Mr. Demler seconded the motion, and the Board voted in favor for the motion to be carried. The meeting was adjourned at 7:24 PM.

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