

FOX TOWNSHIP SEWER AUTHORITY MEETING MINUTES 11/9/16 @ 5:00 P.M.

The Authority held a 2017 Budget work session beginning @ 5:00 p.m., followed immediately by the regular monthly meeting. MEMBERS PRESENT: Cheryl Ruffner, Carole Harshbarger, Russ Braun, Ken Huey, Rudy Pollino & Mike Kamandulis were in attendance.

OTHERS PRESENT: Chad Shields, Shawn Zimmerman, Wastewater Treatment Plant Operators and Juli A. H. Schlimm, Authority Clerk.

VISITORS: Supervisor Dave Mattiuz and Carl Hanes joined the meeting @ 6:00 p.m.

Cheryl told members she printed a report as of November 1st using those figures to project the year ending estimates in each line item. The information is exported to an excel spreadsheet.

This information was reviewed by individual line items with discussion on each.

Income was discussed first. \$6,000 is expected from the Act #13 money from the county which will be used for our GIS project being done by HRG.

The Twp. revenue will remain the same as it has been @ \$75,000 to be repaid @ the end of our PennVEST loan.

Cheryl estimates income for two (2) inspections as we know the Rick Dellulo carwash project will be happening and a likelihood of a second. Only the Dellulo project was included for new tap on fees. Even thou Black Earth is in the making we only know the carwash is happening for sure.

Interest income our CD's are coming up for renewal with PedFed. This money will be transferred into a holding account until things are evaluated and decisions are made on how to reinvest it.

Cheryl said she has included a dollar (\$1.00) increase in our user fees for residential and two dollars (\$2.00) per EDU for non-residential business customers. This will raise our income by ten thousand dollars (\$10,000) annually. Total projected income is \$648,150.00 for 2017.

Expense categories are very routine remaining the same as we have been for many years. We have a category for permits which includes Chapter 302, NPDES and the annual Fairview Project right of way. Totals \$650.

The future Capital Repairs Fund \$13,500 has been designated for it this year. This has been the same figure for some time. Even if the entire amount is not utilized we carry a balance in that fund. \$2,000 will go toward the GIS Project. This in accruing for any future repairs. This fund is also where the money would be taken from when doing the Systems Study as proposed by HRG for evaluating the older segment of it. The quote for this work was just under \$8,000.

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2017 BUDGET PREP. CONTINUED:

Engineering costs remain the same at a \$4,000 annual retainer for 2017.

Sharkey, Picirillo, Keen and Hansley Auditors had given us a graduating figure for the next three (3) years. Callari and Meholick who had done the report prior to Sharkey gave us a quote of \$4,200/each year for the time period of 2017 – 2019. This was a significant savings. Both firms are good to work with. Jerry had mentioned perhaps piggybacking with the Twp. to obtain a more reasonable audit quote but they had already solicited theirs.

We just recently renewed our legal retainer with Jim. We had already used the first \$2,500 up from the beginning of the year even though most of it was for projects that were reimbursable. Nothing will be budgeted for 2017 as we should be okay with the credit that we currently have. Total outside services budgeted for next year is \$8,200.

The insurance package including the worker's comp is increasing by a .04%. We added a 1% increase overall as this is what had been originally discussed.

In 2016 we paid for Juli's bond renewal. This is every other year so nothing will be budgeted.

The PennVest loan is a set amount of \$18,094.87/monthly.

Office expenses will be kept at \$1,500. We are currently under that.

Schutz and Company will be budgeted at \$300 next year. We spent \$500 this year but we were not billed for a segment of time that we were back billed for.

Advertising will be set at \$100 for any extra items that would require to be advertised. One ad is run in the beginning of the year announcing that our monthly meetings are to be held the 2nd Wed. of each month. This would be for anything additional or any changes.

We had paid for the annual Quickbooks payroll upgrade. There also was a software upgrade which is once every three years. Cheryl budgeted \$1,000 for a new computer. If we purchase a new computer for the office then the old one could be used for the GIS system. Tony Fredo of TGF Computers said he could transfer our R-base billing software onto a Windows 10 operating system.

Other costs are for small equipment, mileage, bank fees some of which are reimbursed by customers. Postage is \$3,700 for the bulk mailing of our bills.

Telephone costs for the office is \$1,100 yearly.

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2017 BUDGET CONTINUED:

Plant Operations Expenses are as follows:

Freight and Postage was kept as a line item in case there is a need to ship any parts out for repair.

Dues and subscriptions are for the PA Rural Water annual fee for training and continuing education. That cost is \$415/annually. This is the only subscription we have kept.

Plant office expenses will be the same except for any additional small equipment such as a printer or very minimal cost.

Repairs and Maintenance is @ \$13,100. This year was slightly less. This was decreased slightly.

Water expense was up considerably due to the pressing. \$7,000 was spent this year. This was increased by \$200 to cover any rate increases.

Electric was up some so it was increased to \$50,000. This can fluctuate depending on how much pressing is done.

Uniforms \$1,000 quote for this.

PA One Call was kept @ \$300 as this doesn't fluctuate much.

Educational fees was kept @ \$400 as Shawn will be attending the PRWA Conference in State College. He has credits that are due this year.

Bioxide will be one dump per Chad by next fall. Only one time next year will be adequate.

Chlorine chemicals and polymer was raised to \$6,000. This increased due to the pressing.

Small equipment \$1,000 was allocated as they went over on this line item this year.

Gas and fuel came in at \$1,500. We get the bill each November from the Township. This is gas for our truck and diesel fuel for our generators. Not running the larger truck to the landfill for sludge disposal as we had done in the past has cut down on this cost. This was budgeted at \$2,800 and could possibly be lowered if the board wants to.

Plant Supplies was kept the same as we were under.

2017 BUDGET CONTINUED:

Repairs and Maintenance was kept at \$1,000. Cheryl asked if we will need tires for the truck? The tires are three years old.

Telephone at the plant is at \$3,800 and includes the auto dialers on the lift stations. This is a set expense.

Plant Operational Expenses projected to be \$98,915.00 for 2017.

Carole indicated later into the year if we go over in one category but are under in another we can adjust accordingly as long as we are within the overall budget.

The truck reserve will continue at \$1,000. This is kept in the savings account just allocated for this purpose. Helps to offset the cost.

Testing \$8,000 will be kept the same. Chad said they will have to do sludge testing this year for an additional \$1,000. This will be changed to \$9,000.

The pension was increased to \$6,000 @ \$2,000 each as of 2016. This allocation will continue.

All the mandated benefits are based on the gross wages. FTSA will be receiving a credit of - \$2,768 for the hospitalization costs since Amy Zimmerman went on her employer's coverage as of 7/1/16. We will be getting five (5) months of credit.

The hospitalization costs for our group plan are projected to rise by ten percent (10%) it is just a guesstimate. Personal plans may increase by as much as forty five percent (45%). This is from July 1st through June 30th of each year. The first six months we have the actual rate. The second six months from July till December is where the ten percent (10%) is factored in. Shawn questioned why this isn't shopped out to see if there are better plans to be found. Cheryl said Scott does do this by getting rates from Aetna and Healthamerica, the UPMC and Highmark situation has all been researched. Cheryl says Scott does this every May before the renewal. Shawn said he heard Highmark's rates have greatly improved. He looks at the plan and the costs making comparisons to each. The Affordable Care Act has affected everything. Carole said you need to get one that pays for something too. Cheryl said she thinks Aetna was better than Healthamerica. Both Chad and Juli disagreed with their experiences with Aetna's coverage. Juli said Healthamerica no longer exists as Aetna bought them. She paid for more things with Aetna than before. Highmark and UPMC are separate.

Chad has opted not to take the reimbursement in lieu of the coverage. His wife Missy and one of her daughter's still has our coverage. Shawn and Juli receive the reimbursement of \$230/month in lieu of the coverage for their spouse and family plans. This was a significant savings to our budget.

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2017 BUDGET CONTINUED:

Cheryl said as a starting point she took a quarter (.25) an hour for a raise. Juli ran a report from November of 2015 –October 2016 on the hours worked by each. The quarter per hour increase costs us \$1,761 based upon the hours worked for the proceeding year. This is included in the current projection. FTSA spends \$11,027/month on wages. Employees were asked to leave as the Authority went into an Executive Session to discuss wages for the upcoming year.

The results of the Executive Session were announced. Each Authority employee will receive .40 cents per hour increase across the board.

Carl Hanes shared a schematic and we pulled the sewer line map of Laurel Lane. His daughter is building a garage for now across the street from his property on the corner of Laurel and George. She later plans on also building a home. Chris Kline will be doing the work. Carl questioned if there was a tap on this vacant property? Juli said there was no tap or wye previously installed at this location. Shawn said there are both a gravity and force main line that exist in that area. The sewer line is in the middle of the street. Carl was instructed to contact Randy Gradizzi as Roadmaster of the Twp. to inform him of what he is doing. He will need to obtain their permission. Carl said he already talked to Randy yesterday. Because of cutting the road Carl is asking if he can wye off of the garage to the house to connect? Cheryl said our regs say a separate tap per structure. Separate billings for each per month. The only exception is if there is something within the deed that states you can never put a business there or an apartment. Carl said this is asking to be done just because the Twp. doesn't want to have the road dug into twice. This would be one (1) eight inch (8") line. Members understood and agreed on the reasoning. Cheryl explained it is addressed right in the deeds within Centerville. Carl asked when his daughter builds her house will there be a separate tap fee? Cheryl agreed yes and also a separate service fee even if the lateral is tied together so the road doesn't have to be cut twice. Carl understood as he has a separate bill for his house and garage but they are totally separate. Cheryl reminded him that everything needs to be inspected prior to it being covered. Carl was aware of this.

The Meeting Minutes of 10/12/16 were approved as written and previously distributed as moved by Mike Kamandulis, seconded by Carole Harshbarger, motion carried.

HRG Engineering provided a report for tonight but Jason Fralick was unable to attend. Cheryl recapped for members that Rebco's line experienced a clog in it. The valve specified for the port was not the one installed. It will be replaced but not immediately per Ken.

The installation plan review is typically required by an engineer under a state, federal or government job but not private. The inspector was inspecting the installation and pressure testing not the products used. The clog happened after it built up after a two (2) week period.

Cheryl commented that she doesn't think Auman Brother's doing the installation realized the valves were wrong at that time. Only after the problem did they become aware that the valves were not what had been in the specs. It was to be a full port valve not just a gate valve. Jerry Auman indicated the correct thing was ordered but that isn't what they received.

There was nothing further from the Mowrey's Black Earth development. Cheryl asked Russ if they had gotten their subdivision approved. Russ indicated not yet. Juli said she had given them the updated E-1 pump specs a month ago.

Cheryl told members she and Juli had made a mistake as they had processed Rebco's reimbursement for their first additional tap to their line for McDermott's Welding. This should not have occurred until after the line was taken over by the Authority according to the Developer's Agreement.

There was nothing further at this point on the Delullo carwash project.

The Barbara and Richard Dill property was sold to Rick Dellulo who is the owner of the neighboring property that had been McPherson's. We received payment for the liens FTSA had against the Dill property in the amount of two thousand two hundred fifty two dollars and sixty one cents (\$2,252.61) the figure also included the current final amount due on the account.

The State Planning Module approval was received for Black Earth. At this point we only speak to having capacity. Cheryl said the plan then goes to the Planning Commission and FTSA requires an approved sewer plan. In a past discussion with Jason it was discussed that procedurally it is a safe guard to make sure nothing is sold without having an approved plan by FTSA. Russ said the Twp. ordinance requires 110% of the installation cost be escrowed to cover that cost even before they sell a lot. This way if the developer fails to do so the money is set aside for that purpose. Russ said that is how the code is written but it hasn't always been enforced. The Twp.'s subdivision and the separate land development ordinances detail all of these items being done before the land is sold. This is how it is written. Russ added a larger scale project doesn't happen that often. The Township has always worked with the developer on each project to be sure things are done as they are supposed to be. Carole mentioned that same thing applies to the roads. An escrow account can be required and set up just for that purpose.

Cheryl asked if the Doug Cheatle subdivision was approved on Arbutus? It has been. Juli said when the Authority issued the capacity letter for this it was done as the public line serves that area. Only later was it realized that the line only came to the corner of this property ending with a dead manhole. If developed Mr. Cheatle would be required to do a line extension to serve this additional lot. A letter was written to him making him aware of this. Per Cheryl the Twp. asked if we would require somebody to invest money into planning prior to receiving subdivision approval? Cheryl was trying to get the timeline of events down. Russ said before a

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CHEATLE CONTINUED:

lot can be sold the buyer has to have some type of guarantee the owner will fulfill his promises. It is comparable to on-lot testing. You have to be sure it passes before you can sell it. Otherwise the buyer may find out he has no way of being served for sewage. The Cheatle one may not be any problem as the line exists and it is just an additional lot or two.

Cheryl asked Russ if the Planning Co. would approve the Black Earth Subdivision with just the DEP waiver approval? Russ commented by only looking at a plot plan of eight (8) lots that may not be enough information. Carole added, the County Recorder's office had formerly been contacted informing them land couldn't be recorded unless the subdivision process had received complete approval. It depends who is in that office for their cooperation. Cheryl said she was looking for clarity as this continually comes up. There are things written within the subdivision ordinance unless enforced and monitored may actually be handled differently.

Per Cheryl Black Earth will have to proceed with the Twp.'s Planning Commission requirements but will also have to submit a plan to us showing how they plan to connect and serve those eight (8) lots. Russ said they too would expect to see this with a subdivision plan.

Russ said unless the Township and the County both sign off on the maps they aren't legally able to be recorded.

Juli said this entire topic goes back to the Developer's Handbook that we have as a tool and also the discussion there has been on creating a list or flow chart to simplify these steps for development.

Cheryl called for a motion to appoint Callari and Meholick as our auditors for 2017 through 2019 based upon their low bid of four thousand two hundred dollars (\$4,200) each year. Mike Kamandulis moved for approval, seconded by Rudy Pollino, which carried. Cheryl abstained from the vote as they are her accountants.

We received correspondence on 10/16/16 from PenFed regarding one of our investment certificates maturing on 12/3/16. Cheryl said this can be rolled over into a share account until we decide on how we want to reinvest it.

Analytical testing results and the September 2016 Discharge Monitoring Report were both presented and reviewed. The sludge hauling has been less than before. The water usage is down. We have one more barrel of polymer per Chad. Jason is copied with the testing results.

The operators haven't had time to research the Verizon Straight Talk phone plans any further. This will be done.

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The Act #13 Mini-Grant Agreement was signed on 10/12/16 and returned to the County Commissioners for the six thousand dollar (\$6,000) grant we are being awarded for the GIS Project.

Russ mentioned the Dill property was approximately twenty (20) acres. He asked if Rick Delullo had purchased all of it? Juli and Cheryl were unaware of the size of what he had purchased other than the piece where Barbara Dill resides. Maybe that piece is a separate parcel. Russ was just curious.

We received a letter dated 10/20/16 from the U.S. EPA on 11/7/16. The letter was faxed to HRG it is regarding a National Study of Nutrient Removal and Secondary Technologies. This is initiating and evaluating nutrient control at secondary treatment facilities. Per this information we will be receiving a survey that will take an hour or so to complete. Cheryl thought perhaps part of it will be completed by our operators and part by Jason maybe similar to our Chapter 94.

Recently Greg Benini on Hickory Street within Centerville had run his sewer line to his new home. The home is unoccupied at this time. It was installed by Bucktail Excavators and has been covered prior to inspection. The house isn't expected to be finished and occupied until Spring. G.T. Belsole of Bucktail called Shawn while he was in the sewer office with Juli and Chad. Per G.T.'s conversation he told Shawn he understood the Code person Rob Singer to say that he didn't have to inspect the lateral. It was then covered. Shawn told G.T. we have always required that it be inspected nothing has changed. Cheryl said it is a requirement for our operators to inspect. She asked the board how they want to handle this? The depth of the line was questioned as he gave the figure of it being eighteen foot (18') deep. Chad said the lot was fifteen (15') above grade. Both Cheryl and Ken thought that G. T. Belsole misunderstood what Rob had said. Members thought a letter should be sent to the homeowner and the installer indicating it was covered without authorization. It is to be requested to be uncovered and then inspected. Russ asked if our specs say the depth of what a lateral should be. Both Carole and Juli said yes there is something specified. Juli said she'll have to look it up. Chad said it's eight inch (8") per foot but it doesn't say a maximum. A letter is to be written.

There was discussion on the intended Jerome Anders lateral installation at 223 Dagus Mines Road. Anders moved a trailer in on an existing lot. It is set to high so he wanted to leave his lateral exposed. Our specs indicate that it must be covered. Chad explained further there had originally been a house there and has since been torn down. The sewer line came out at the height of the house foundation. He brought in a trailer but it sits up on block six or eight foot (6-8 ") block. There is no fill in front of the trailer therefore creating this height difference. The operators are scheduled to view it and meet with him tomorrow. He intends to hang it with a strap in the air from the trailer. He said he would support it. Our specs say the minimum coverage is three and a half foot (3.5') deep unless approved by the Authority. Chad said he could ask for a special exception and tie in to where his mother ties in on a neighboring lot.

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ANDERS CONTINUED:

Chad drew an illustration for members to view. Members said it will freeze so this isn't acceptable. Members said he needs to compacted fill or he will need a pump. They asked operators to take pictures and bring this back to them. Cheryl said she might accompany the fellows to see this.

A letter dated 11/4/16 was received from American Transparency of Boca Raton, FL under the Right to Know request for an electronic copy of any and all employees for 2015. Cheryl said she knows we have to comply. They requested each employee's full name, address, gross wages, date of hire, etc. The request was forwarded to Solicitor Devittorio for comment on 11/7. Cheryl wrote Jim a note asking what we have to provide. We are still within the response time. There has been no evidence of an appeal. Jim had suggested checking with the Township to see if they were contacted. The school board also had a similar request but they didn't divulge any personal wage information. If a local person made an inquiry it may be viewed differently as you are familiar with who that person may be. The Township did forward the requested information but removed the social security numbers. We will provide wages but no socials and no addresses to protect the employee's privacy. This is the second similar type request. The first request was from a company called Smart Procure. Both companies are from Florida. Members questioned if we have to honor an out of state request. Russ said it is about gathering information since it has to do with tax dollars being spent. These companies sell the information. There was additional conversation on googling wages.

St. Marys Insurance Agency provided us with the annual Terrorism waiver to reject coverage. This will be signed and returned.

The BILLS were approved for payment and paid with Check #1545 through Check # 1576 in the amount of forty seven thousand fourteen dollars and twenty seven cents (\$47,014.27), as moved by Russ Braun, seconded by Cheryl Ruffner, motion carried.

The overtime for the month was presented.

The October fee statement for the solicitor carries a credit balance of -\$2,375.00. One hundred twenty dollars (\$120) was paid reimbursed by Rebco this month.

Thirteen (13) letters were routinely sent out for delinquent accounts for the 10/24/16 billing cycle. The due date was yesterday on 11/8/16. The report is not finalized but eleven hundred dollars (\$1,100) was collected to date. Any action necessary will be taken.

The NEXT MEETING DATE IS: December 14, 2016 @ 6:00 p.m. Budget will be addressed within the regular meeting. As there was no other business the meeting adjourned @ 6:40 p.m., moved by Rudy Pollino, seconded by Mike Kamandulis, motion carried.

