

FOX TOWNSHIP SEWER AUTHORITY MEETING MINUTES  
DECEMBER 13, 2017 @ 5:30 p.m.  
2018 Budget Session

Members Present: Carole Harshbarger, Russ Braun, Ken Huey, Michael Kamandulis, Jerry Zimmerman, Jr. and newly appointed member Pat Minard.

Others Present: Jason Fralick, P.E., V.P. and Tom Holleran of H.R.G. Engineering, Inc. and Juli A. H. Schlimm, Authority Clerk.

Juli provided Budget Reports to Authority members. The first report in the packet was 2017 Year-To-Date figures. It was labeled as "Current".

The second page within the packet was a summary of tap income the Authority had received in the past ten (10) years. This was included as there had been discussion on if we should budget any tap income for 2018. There were only two (2) years in 2013 and 2009 when there were no taps purchased over the past ten (10) years. The total tap income over the past ten (10) years is just over one hundred forty eight thousand dollars (\$148,218.95).

The third item provided was a 2018 Budget Overview that has no tap income included. This report is marked "As Is".

The next page is a listing of our Capital Improvement Fund allocations from 2013 to the present. The total amount in this line item including 2018's money is sixty nine thousand seven hundred fifty one dollars (\$69,751.00).

The following page is a listing of our Truck Fund. From 2014 – 2017 one thousand dollars (\$1,000) was allocated each year. For the upcoming 2018 year this was increased to four thousand (\$4,000) or an overall total of eight thousand dollars (\$8,000).

The next report shows the 2018 projection without any rate increases with each line item labeled with increases in certain categories as had been previously discussed. This also included the Delullo Project car wash tap on income (\$12,625) and inspection fee (\$75). Since this project was just recently approved we looked at the benefit of not depositing that check for two (2) weeks and including it in our 2018 revenue verses depositing it before the end of 2017. Even with the Delullo Project money the Authority would be showing a deficit of \$-6,032.00 for the upcoming year based upon projections. Keep in mind these figures reflect increases in Capital Improvements, additional engineering for repairs to the Pontzer lift station and increasing the Truck Reserve. These anticipated increases were discussed last month. FTSA is not taking the annual Township supplement of seventy five thousand dollars (\$75,000) for the upcoming year. This will also help the Township as their Landfill Host Fee revenue is significantly less.

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2018 Budget Discussion Continued:

The final 2018 Budget report is shown with the Delullo Project income included in the 2018 revenue with a customer rate increase of one dollar (\$1.00) monthly per EDU per customer within our system. This would keep us in the black by four thousand twelve dollars (\$4,012.00). An EDU (Equivalent Dwelling Unit) was explained as being one eighty (180) gallons of water usage within our system or representing daily use in a residential household. This number is specific to our system. Carole added, the residential households are based on a flat rate of fifty one dollars (\$51) monthly. The non-residential/businesses are sixty four (\$64) per EDU based upon their actual water usage monthly.

Juli explained FTSA has only ever budgeted annually on our projected income for the upcoming year. The Authority does have a savings and investments but these are not included in our budget planning. Interest is earned on this money. This money would be for any larger Capital Improvements needed to the system.

A copy of our 2017 Budget was also included in members meeting packets. Keep in mind under Income there was a line item listed as Township Revenue for the amount of \$75,000. This was the annual subsidy from the Township. The Authority decided not to continue taking this subsidy from the Township as it was a loan and must be repaid. The existing agreement between parties will be revised in the near future. Jerry told members that the money would be available to FTSA if we needed it. Members commented the Township is responsible for the Authority if we need their financial help.

Jerry asked Jason Fralick for other options for their services. Jerry asked if there were other billing options to be considered if a HRG representative didn't attend every meeting. There may not be a need to have someone do so when the Authority isn't doing a project. Jason said it would be a flat rate per meeting instead. The range would be \$275 to \$350 per meeting. Jason said if they only attend half as many meetings there may be a savings of an estimated \$1,500 to \$1,800. There would be a separate fee quoted for the annual Chapter 94 Report. This report is now included in our \$4,000 annual retainer that is billed quarterly. Anything else that would be project oriented would be quoted individually. A plan review or sewer extension or rehab project would all be separate proposals. Jerry asked if the Authority employees could still contact him? Jason said if it is something that didn't require much research it could be part of the retainer. If it required additional research it would be billed for separately by the hour.

Jason introduced Tom Holleran from his firm. Tom has worked for HRG Engineering for the past twelve (12) years. Tom will be taking over our account. He and Jason work closely together. Jason can come to future meetings if there is a need he is just trying not to have to travel as much. Jason feels changing to the different billing arrangement can bring challenges. If they don't attend on a regular basis it may be hard to actually know what is happening.

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ENGINEERING Continued:

Jason said FTSA needs to investigate ways of adding more customers. We have plenty of capacity at our plant. If we don't have vacant lots developing then we need to start looking at sewer line extensions. Things that may have gotten tabled such as Lover's Lane. Other areas mentioned were Hayes Road. Expanding the system still needs to be looked at. Older parts of the system may require rehabilitation. Rehab to lift stations such as what we had discussed for the Pontzer lift station. Jason said if FTSA decides to do another billing arrangement it is important that a rep from HRG still attend say quarterly or four times a year. This way they are on board with what is happening from regular attendance.

Tom said he is comfortable with developer and technical type questions. He has served many other Authorities in PA. He has been working with water and wastewater during his employment with HRG. He is involved with work that is being done in the area for the City of DuBois with an upgrade to both their sewer and water systems. Tom also knows Dwight Hoare from St. Mary's Water Authority as they are both associated with the PA Municipal Authorities Association (P.M.A.A.).

The regular monthly meeting was Called to Order @ 6:00 p.m., followed by the Pledge to the Flag.

The Meeting Minutes of 11/8/17 were approved as written as moved by Carole Harshbarger, seconded by Ken Huey, motion carried.

Our DEP inspector had emailed information to us on PA Small Water and Sewer Grants Program. Jerry had instructed Juli to email HRG regarding details on this program. Jason told members HRG is very familiar with this program. He also shared it is a highly competitive program. It does require significant legislative support for the Authority to be considered. Jason said last year they had between sixteen and twenty (16-20) clients submit for funding. Only one (1) DuBois received funding. It is the most subscribed to but under funded program. The state puts this information out but in reality not easy money to be obtained. If interested you must contact your Senator Scarnati and State Representative Matt Gabler. The political aspect is very important. It's important to have the quality of the grant application be very high. It must document the need and what the grant is intended for.

Jerry asked if HRG could prepare a project proposal for the Pontzer Lift Station Rehab work? An upgrade to the existing pump. The age of the Pontzer lift station was questioned. It was from the original project. There was further discussion on increasing the size of the pumps at the lift station due to the amount of the flow. Jerry suggested HRG write the actual grant paperwork too. This would be part of our Systems Condition Assessment. Jason said some of the work

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GRANT PROGRAM Continued:

done for the grant project is also work that would have to be done eventually for the Rehabilitation Project anyway.

Micale's Centerville "As Built" Plan for Oak Street Phase II has been recorded. Two (2) additional original prints were gotten one for Solicitor Devittorio and one for FTSA. Juli said she delivered Jim's original print today as she went to Farmers National Bank in Ridgway. The project has finally been concluded.

The Delullo Carwash Project was discussed. HRG and FTSA's of 11/20/17 went sent to Mr. Delullo regarding the approval of the project. The inspection was completed by our fellows and done by Briggs Earthwork of Ridgway. An "As Built" print was received on 12/8/17. As was earlier discussed with this approval just happening Delullo's tap and inspection money will be deposited in two (2) weeks for it to be included within 2018 revenues. Jason said he had done the review just before Thanksgiving. The one item he had pointed out to Chad was that on their plan it showed they intended to use a Fernco flexible fitting. Jason recommended this not be used. Our rules and regs don't allow for this. They were to use a solid fitting. Jason also recommended that during the first year or so Delullo's staff check the sedimentation and grease traps. These need to be cleaned out on a regular basis to protect our system and to protect FTSA's lift stations from the sedimentation, etc. Jason also recommends our operators periodically stop and check on things.

Minor GIS revisions are yet to be made. There had been one additional manhole and lift station added.

The NPDES renewal had been completed and submitted prior to the due date. Jason recommends in the future the testing be spread out over several months. The due date fell on a weekend. This is done every five (5) years.

An industrial waste review was done for GKN by HRG with a response letter written to them on 11/14/17. An approval letter was sent to GKN on 11/15/17. Jason advises caution with the amount of waste taken and over what time period. Taking it over longer periods of time is a better situation.

Rebco's compressor condensate waste approval letter was sent to them on 11/21/17. This was documenting the approval as it was discussed at our November meeting.

ASI test results were presented for review and also the October Discharge Monitoring Report. Test results for Rebco dated 11/1/17 were also provided. Sludge hauled for November was 2.75 tons.

Jason was unsure if he received the October Discharge Monitoring Report. Juli will check to make sure it was emailed.

Jason said he and Chad had discussed the effluent flow meter was down between 11/22 and 11/29/17. They discussed the reporting of this. The flows were to be on an estimated basis using the influent flow meter with a 25% reduction on the forward flow. That is the amount that actually would get discharged. This will be reported on the November report.

An 11/15/17 letter was written to the Heigel's regarding the old Main Street Carwash property. Their bill has been paid in full in the amount of four hundred eighty three dollars and eighty five cents (\$483.85). The water remains on per St. Mary's Water as of 12/12/17 even though there has been no usage. The sewer billing will continue unless the service is turned off by St. Mary's Water per our policy. There was discussion that they may need water for their heat.

Farmer's National Bank located in Ridgway have prepared the paperwork for the Authority's new investment of \$106,230.12. This money was previously invested at PenFed Credit Union. The term is for five and a half (5.5) years @ 2.40%. Signature cards will be signed tonight. New member Pat Minard will be added to our bank signature cards at CNB so that all members may sign checks. This will be done routinely at our January meeting.

A letter was written to Henry Snyder after our last meeting regarding account #3520. We had asked if the property is a multi-tenant building. We have received no response to date.

Account #2524 known as the Larry Swanson Estate was taken over by Citi Mortgage. Citi Mortgage recently informed us that they no longer hold ownership. It is now under Claiber Home Loans. The monthly bill was forwarded to them with no response. FTSA per policy can file a lien for the delinquent amount owed. The delinquent amount at this point in time is three hundred eleven dollars and thirty six cents (\$311.36). It was moved by Russ Braun, seconded by Mike Kamandulis to file a lien against the property located at 407 Main Street, Kersey, PA.

There was discussion on an old time policy in regard to activating new accounts. It has always been that a new account was activated at the time an owner actually moved into a residence. It was done this way since our beginning. Juli said she routinely checked with Rob Singer, the Twp. Code person on when he issued an occupancy permit to each. Rob recently mentioned that many of the new homes take months to be built and that FTSA should consider revising their policy to when the new accounts water service begins. After conversation our board moved that FTSA should begin service for new accounts after the sewer inspection is completed. Russ Braun moved that this policy be changed, seconded by Pat Minard, motion carried.

The BILLS were approved for payment and paid with Check #1995 to Check #2041 in the amount of fifty three thousand eight hundred seventy three dollars and sixty six cents (\$53,873.66). Check #2040 for five thousand one dollar and twelve cents (\$5,001.12) was included in the bills and was a transfer from CNB to Farmers National Bank as part of the recent investment that was made. This was a partial transfer from Penfed directly into our CNB checking account. The balance of the investment came in the form of a check directly from Penfed. Bills were approved as moved by Russ Braun, seconded by Mike Kamandulis, motion carried.

The annual statement of values was received as provided by St. Mary's Insurance. The information was shared with the operators.

Monthly overtime hours were presented. Cameron had thirteen (13) regular hours.

The November Fee Statement from Solicitor Devittorio was received on 12/6/17. A credit balance of twelve hundred fifty five dollars (-\$1,255.00) exists. One (1) hour was reimbursable by Micale's and a half an hour (.5) from the Delullo project.

There was additional conversation that the HRG service and retainer will be kept the same for 2018.

The 2018 Budget was approved as presented and discussed to include a dollar (\$1.00) increase per EDU for all customers effective as of January 2018, as moved by Russ Braun, seconded by Ken Huey, motion carried. The Authority members had compared different budgeting options in efforts to not raise rates. Discontinuing the annual supplemental loan from the Township of seventy five thousand (\$75,000) and planning for repairs to the Pontzer lift station on Rt. 948 are the primary reasons for the rate increase being needed.

A Customer Billing Report for 10/24/17 was presented for review. Seventeen (17) delinquent letters were written to customers. Fifteen (15) paid. One (1) account had made a partial payment. A lien will be filed against the Larry Swanson Estate property.

The Bills-In-Arrears Report was incomplete. The due date fell on 12/9/17.

A bad check was returned by the bank for the Shawn Sheeley known as account #4761. The arrears were paid in full.

Member Michael Kamandulis's term expires as of 12/31/17. Juli asked Mike if he is interested in continuing to serve on the Authority? Mike said he was. Juli will inform the Twp. Supervisors.

THE NEXT MEETING DATE IS: **WEDNESDAY, JANUARY 10, 2018 @ 6:00 P.M.** January will be the Reorganizational Meeting.

Russ mentioned that Harry Carr has been retained by Jim Nissel to do a plan for sewer service with a grinder. This is for the lot on West Theresa that we've had numerous inquiries on. Juli said Harry had called her. She copied him with past minutes from other inquiries that we had on the development of this land.

As there was no other business to be discussed the meeting adjourned @ 6:35 p.m., as moved by Carole Harshbarger, seconded by Pat Minard, motion carried.