

Conyngham-Sugarloaf Joint Municipal Authority

Regular Session

February 28, 2017

Conyngham-Sugarloaf Joint Municipal Authority Board met for a Regular Session on Tuesday, February 28, 2017 at 7:06 p.m. in Conyngham Borough Council Chambers, Municipal building, 215 Main Street, Conyngham, Pennsylvania. The meeting was called to order by Chairman Gallagher, the Pledge of Allegiance was recited and roll call was taken.

Present: John Cotsack, Joe Gallagher, Marguerite Woelfel, Jack Wittig, Peter O'Donnell (Solicitor), Ed Gregory (Manager), Fred Blase (Assistant Treasurer), Erika Cook (Recording Secretary), Bryon Killian (Entech Engineering)

Absent: Marc Eble.

Citizens: Tim Ference.

Public Comment: None.

Invited Guests: None.

Motion

Motion to Accept Minutes from the Regular Meeting January 24, 2017 – Woelfel. Second – Wittig.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Absent
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

Treasurer's Report: Assistant Treasurer Blase presented the Board with the accounts payable for approval and bank account activity for the period. The reports were reviewed in detail and a copy is on file and available for inspection. The Cash and invested cash total is \$2,786,041.23 and the accounts payable as of February 28, 2017 is \$70,191.50. The budgeted cash flow for the month of February was \$37,500 and the actual was approximately \$42,000.

Chairman Gallagher discussed increasing the capital reserve from operating budget cash on hand by 5% per month for the 537 Plan. He would like track the 3-4-5 Step Plan and the 5% capital reserve. The budget was set at \$450,000 of cash flow; the stretch goal is \$500,000 which would achieve the target by the Chairman.

Motion

Motion to Approve Bills for Payment as Presented Totaling \$70,191.50 – Woelfel. Second – Cotsack.

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Absent
Gallagher	-	Affirmative	Woelfel	-	Affirmative

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Wittig - Affirmative

Mr. Blase discussed the closing of the M&T Accounts (balance \$985,200.57) as M&T has been very reluctant to release the money. M&T is sending an ACH transfer either today or tomorrow for the funds to Landmark Bank. M&T will not release the funds to PLGIT directly. Once the funds are received by Landmark Bank, they will then complete a transfer to PLGIT. This should be completed within the next 10 days.

Mr. Blase asked the Board to consider for the next meeting, the option of laddering 1 or 2-year Certificate of Deposits with approximately \$1,000,000 total as the 1-year rate is 1.1% and the 2-year rate is 1.4%. Solicitor O'Donnell requested Mr. Blase send him the rates for review.

The next item of discussion was to consider paying off the Landmark Community Bank loan of \$394,770.00 in order to reduce interest expense. It is unclear as to the purpose of the loan given the Authority's cash position.

Treasurer Woelfel questioned the Engineer as to if it is our best interest to pay off the loan before the 537 Plan is financed – would we receive more grants if there is higher debt? Bryon replied that the amount of debt does get taken into consideration in the financing process but this is a smaller loan balance. Bryon said he is meeting with the finance guru at Entech on Wednesday March 1, 2017 and he will review this with him. Solicitor O'Donnell added that there are different tiers within PennVest for financing depending on financial status. He said that \$80M were given in loans and \$20M given in grants by PennVest last year. For example, HCA received a 1% interest 20-year loan from PennVest. It was mentioned that PennVest does not do refinancing.

Mr. Blase reviewed the Long-Term Debt Summary showing the current loan balances and the following:

Cash-On-Hand as of 02/28/17	2,786,041
Landmark Loan Payoff	(394,770)
Subtotal (Cash-On-Hand)	2,391,271
Checking Account	(150,000)
Investment at PLGIT	2,241,271

Motion

Motion to Payoff Landmark Loan – Woelfel. Second – Wittig.

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Absent
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Wittig	-	Affirmative			

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Solicitors Report: Attorney O'Donnell presented the Board with a draft of the Proposed Amendments to CSJMA Water System Rules/Regulations and Sewer System Rules/Regulations. This proposal is regarding Multi-Meter Billing Alternative. There is ongoing discussion as to how the Rules/Regulations should be updated to allow bills to be mailed directly to Tenants with the Building Owner still be ultimately responsible. Treasurer Woelfel had some questions regarding the wording. She suggested that it be added that the administrative fee can be subject to change at any time, possibly per annual review. There was discussion on who owns the water meter – the Authority or the Building Owner. Currently, the Rules/Regulations state the Authority owns all meters. There needs to be clarification on ownership of meters to avoid any potential litigation and meter accessibility issues. There is “implied access” to meters now. It was recommended that Solicitor O'Donnell work with the Engineer to get the proposal consistent with the Rules/Regulations. Treasurer Woelfel said we can work on updating the Rules/Regulations as necessary.

Solicitor O'Donnell's next topic of discussion was the real estate transfers from Sugarloaf Township – the deeds have been received. He will be working on the recording the deeds at the Court house with Attorney Karpowich. Treasurer Woelfel asked how much this will cost and Attorney O'Donnell said he did not have an exact figure, but summary will be prepared. He said there are 5 deeds and 38 PINS to be certified for Sugarloaf Township and 6 deeds and approximately 30 PINS for Conyngham Borough. There is one single fee for the deeds and the PINS are \$20 each. He did confirm there is no transfer tax as the Authority is tax exempt.

Mr. Blase asked about the transfer of ownership of the Streets Department part of the building at 245 Main Street. Attorney O'Donnell did not realize the closing did not occur. The subdivision has not been completed as the surveying appears to be holding up the process. The Streets Department portion of the building is covered under CSJMA's insurance policy.

The last item that Solicitor O'Donnell had to discuss was the meeting in Sugarloaf for the Asphalt Plant on Tomhicken Road on 02/27/17. He attended the meeting as well as Treasurer Woelfel and Vice-Chairman Wittig. The meeting will continue 03/20/17. There is significant opposition to the plant by the public. Hydrologist Jay Lynch from Meiser & Earl was contacted to provide a letter on CSJMA's behalf. Attorney O'Donnell welcomed anyone to come to the next meeting.

Engineer's Report: Bryon briefly reviewed the updates to the Rules/Regulations. The last official revision was on May 16, 2011. Entech has only changed the name from CBA to CSJMA. Bryon and the Board asked Erika to research previous minutes to determine exactly when the CSJMA adopted the CBA's Rules/Regulations which she will have for the next meeting.

Bryon said the TAR forms have been submitted. He is waiting to hear back from DEP. He has contacted BF Consultants to begin the assessment work in April as there can be no snow on the ground. Once that is completed, they will begin their 537 Proposal for CSJMA.

Chairman Gallagher brought up a rumor circulating that CSJMA is going to be in violation if a response regarding the 537 Plan is not submitted to DEP by the end of 2017. CSJMA did already respond and is working on a 5-year plan. The Engineer said that the rumor might be tied to the original TAR due date of 12/31/17. Chairman Gallagher assured the public the 537 Plan is on schedule and encouraged the public to attend the monthly meetings for updates.

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Chairman Gallagher asked the Board if they agree to hire the Hydrologist, Jay Lynch, do a feasibility study for a new well. It makes more sense to do the study before the 537 Plan is enacted so water lines may be installed when the sewer lines are installed to comply with the 537 Plan. The exact location of a new well would need to be determined to coordinate the projects to reduce costs. Chairman Gallagher said that all our wells come from 1 aquifer and adding a new well would increase the size of our service area and ensure having water available. The area being considered for the new well is on Route 93, north of the Nescopeck Creek. The feasibility study will cost approximately \$7,000 to \$10,000 which the Engineer said was a good price. If water lines were installed to the Pilot gas station area, there are estimates of 110,000 gallons/day of usage from the new connections to the water system. The Board all agreed to have Jay Lynch prepare a proposal for the feasibility study.

Bryon mentioned the Chapter 94 Report has been drafted and is due by March 31, 2017. They are sending a field crew out to the pump stations for drawdowns to determine the pumping rates. He stated that the system is currently overloaded hydraulically and organically. On January 24, 2017 meters were pulled for flow studies. Bryon will present the results at the next meeting and the report will be submitted by the due date.

The last item Bryon discussed is the Penn Dot SR3034 Project. There may be some issues with the separation of storm line and water line. He said a concrete casing might be able to be put around the water line but it is still under review from Penn Dot and he will update the Board at the next meeting.

Manager's Report: The Manager reported:

- Meter Readings were Finished – Bills will be Mailed End of Week
- January Discharge Monitoring Report Submitted to DEP with 1 Violation Reported for an instantaneous maximum of fecal coliform. (IM = 10,000 Exceedance of IM = 12,900)
- February Bacteria Samples Taken to Lab
- January SDWA 1 & February SWDA S Submitted to DEP
- Responded to All PA One Calls
- The gate repair at the Treatment Plant was paid in full to CSJMA by the driver's insurance company
- Martin's Electric replaced the drive to Influent Pump #1. As reported at last month's meeting, the old drive was failing
- The Utility Relocation Reimbursement Agreement paperwork between CSJMA and Penn Dot for the water line relocation has been submitted. This completes all necessary documentation to be reimbursed for 75% of the relocation of the waterline in association with the bridge replacement on Main Street. Thanks to Jack and Marguerite for signing the necessary paperwork in a timely manner.

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- We experience a sever water main break last Thursday. I was able to isolate the breakage and keep service to all residences. The breakage is on private property, we will need to contact the owner to gain access to repair the break. I am still obtaining prices to have the work completed.

Vice-Chairman Wittig mentioned a letter from DEP regarding no more sewer hook-ups being available. There are 2 people in Sugarloaf who have permits to hook-up. Per DEP, they are still allowed to hook-up even though there are no EDU's available because the permits were issued before the plant was overloaded. It was mentioned that when you apply for an EDU, the installation of the EDU should occur within a certain time frame but this policy has not been enforced in the past, allowing EDU's to be issued but never installed.

Old Business: Secretary Eble purchased three (3) new computers for the office, two (2) have been installed. Marc will install the 3rd computer, a new server and a backup system at a later date.

Erika Cook has been working on creating a newsletter for CSJMA. The price quote from Staples to print and mail 1,000 pieces is over \$1,000. The staff suggested investing in developing a website so the newsletter information may be posted and updated regularly at no additional cost. Also, instead of mailing newsletters, we will print copies and leaving them in the lobby of the CSJMA office, the Conyngham Borough Building and the Sugarloaf Township office. Solicitor O'Donnell suggested putting a 5% off coupon in the newsletter as a tracking device to track the usage. The Board wants the newsletter to be as cost-effective but begin to communicate to the public the Authority's mission and purpose.

Erika reminded Board members that the Statement of Financial Interests are needed and due in on May 1, 2017.

New Business: A summary was provided of Entech/CSJMA Office meeting from February 3, 2017. The purpose of the monthly meetings is to stay on task with the 537 Plan. The meeting will be used as a 537 plan work session before the regular monthly Board meetings. The following committee chairpersons were assigned to attend the office meeting per the topics of discussion for each meeting:

Finance/Planning – Marguerite Woelfel
Plant Infrastructure – Jack Wittig
Security/Safety/Compliance – John Cotsack
IT Support – Marc Eble

An Agenda will be created for each meeting and Erika will notify the appropriate Board member if they need to attend. All Board members are invited to attend each meeting if available. Bryon is going to make a Master Schedule for the 537 Plan so everyone is up to date. The Entech/CSJMA office meeting schedule is as follows:

Meeting Schedule:

March 21, 2017	July 18, 2017	November 21, 2017
April 18, 2017	August 15, 2017	December 19, 2017
May 16, 2017	September 19, 2017	

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June 20, 2017

October 17, 2017

Mr. Blase contacted C3 Group about review CSJMA's existing Employee Handbook. They would provide a report detailing specific recommendations to address compliance and employer best practices improvement opportunities. They would then revise the handbook in electronic format. The cost quoted by C3 for this service is \$2,500. Treasurer Woelfel is going to reach out to Lee Gillespie to see if this is something she does. The Board decided it is best to start over with a new handbook, instead of revising the CBA handbook.

Chairman Gallagher brought up the possibility of installing fencing around all well houses. It is estimated to cost \$15,000 to \$20,000 for all well houses. The fence should be 6' tall chain link with 1' barbed wire on top. The gates should be 8' wide to allow access by trucks and there should be electronic remote access. There was one quote already received for \$7,000 but the fencing quoted was not adequate. It was decided that Entech will provide designs for the fencing but Bryon advised CSJMA may need to have the reservoir property surveyed to determine the property lines and where a fence can be placed. Bryon will work with Ed Gregory on this matter. Solicitor O'Donnell reminded the Board of the \$19,700 job spending limit (a higher job cost requires the job be sent out for bid).

The School Lane sewer extension was brought up by Chairman Gallagher. He said that Conyngham Borough may ask CSJMA to install a water line the remainder of School Lane to the nature park. The Conyngham Borough master Plan is in development and modern restrooms are a key component for each park.

Vice-Chairman Witting asked Mr. Gregory about the status of a flagpole and sign. Mr. Gregory said the plan is to put the sign and flagpole in the center of the front lawn of the office building. He is looking to have this completed in the spring. He is gathering quotes at this time.


Vice-Chairman Witting mentioned there is no update on the cell tower in Sugarloaf Township as the FAA to has yet to respond.

Public Comment: None.

Motion to Adjourn at 8:30 pm – Woelfel. Second – Cotsack. Unanimous.

An Executive Session was held for potential litigation.

ATTEST:


Secretary