

September 25, 2018

Conyngham/Sugarloaf Joint Municipal Authority Board met for a **Reorganizational and Regular Session** on **Tuesday, September 25, 2018 at 7:03 p.m.** in Conyngham Borough Council Chambers, Municipal Building, 215 Main Street, Conyngham, PA. The meeting was called to order by Marguerite Woelfel and the Pledge of Allegiance was recited.

Present: John Cotsack, Marguerite Woelfel, Greg Olander, Joseph Gallagher, Marc Eble, Peter O'Donnell (Solicitor), Richard Harrison (Engineer), Dorothy Pisano (Recording Secretary)

Absent: Ed Gregory (Manager)

Citizens: Joseph A DiSabella, Rich Yost, Tim Ference, Rick Weaver, Arthur Riddle

Public Comment on Agenda Items: None

Invited Guests: None

Marguerite Woelfel, Treasurer, called the meeting to order and turned the meeting over to Peter O'Donnell, Solicitor, to act as the Temporary Chairperson for reorganization.

(Solicitor), O'Donnell called for nominations for the Office of Chairman.

Nominations for Chairman

Motion

Motion to Nominate John Cotsack for Chairman – First - Woelfel. Second – Olander

No Roll Call. Four (4) Yes Motion Carries.

Nomination Closed

Motion for John Cotsack to Resign from Position of Assistant Secretary/Treasurer – First – Eble
Second Woelfel

Resignation Closed

No Roll Call. Four (4) Yes Motion Carries.

The meeting was turned over to Chairman Cotsack.

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Nominations for Vice Chairman

Motion

Motion to Nominate Greg Olander for Vice Chairman – First - Gallagher Second – Eble

Motion to Nominate Joe Gallagher – Gallagher Declined Position

Nomination Closed

No Roll Call. Four (4) Yes Motion Carries.

Nomination for Assistant Secretary/Treasurer

Motion

Motion to Nominate Joe Gallagher as Assistant Secretary/Treasurer – Woelfel. Second – Eble

Nomination Closed

No Roll Call. Four (4) Yes Motion Carries

Close Election of Officers

Invited Quest: Erik Sharkey, CPA from Jones Kohanski & Co. PC – handed out copies of representation letter. Copy on file for review

Item 1: Mr. Sharkey presented the Financial Audit dated December 31, 2017. On page Roman number I it states that the (Authority) is responsible for the financial statements although we prepare them the Authority is ultimately responsibility the financial statements. Our responsibility is to express our opinion on the financial statements. Roman number II – Just states in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the (Authority) as of December 31, 2017 and 2016.

Gallagher – Suggested to continue this meeting in 1 week so we can have a chance to go over the audit and approve it at that time. Peter O'Donnell agreed to continue the meeting. Continuation meeting will be agreed on at the end of the meeting.

Motion

Motion to continue this meeting for the purpose of reviewing the Financial Audit – First – Gallagher – Second - Woelfel

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Motion

Motion to Approve Minutes from the Regular Meeting Dated 9/11/18 – First – Woelfel -
Second – Olander

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Abstain
Gallagher	-	Abstain	Woelfel	-	Affirmative
Olander	-	Affirmative			

Treasurer's Report:

Item 1: Assistant Treasurer Woelfel presented the Board with the Financial Report ending August 2018. A copy of the report is on file and available for review.

Motion

Motion to Approve Financial Report – First - Woelfel – Second - Cotsack

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Olander	-	Affirmative			

Item 2: Woelfel presented the Board with the Accounts Payable Report. A copy of the report is on file and available for review.

Motion

Motion to Approve Bills for Payment totaling \$34,114.07- First - Eble - Second - Woelfel

Questions on the Motion: None.

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Olander	-	Affirmative			

Solicitors Report:

Item#1: Two checks for the county for the recording of the deeds.

Item#2: The Riddle's Release for \$4,074.00 – John Cotsack asked should we turn this over to the insurance company Peter O'Donnell (Solicitor) stated no we can do it.

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Motion

Motion to accept the Riddle Release for \$4,074.00 First – Gallagher – Second - Woelfel

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Olander	-	Affirmative			

Engineer's Report:

Item 1: Mr. Harrison stated I see you are moving forward with the 537 Plan in trying to get a financial advisor so we can start with the advertising of the 537 Plan because we will need to put it in for public approval. Woelfel so how can we move forward with the 537 Plan? We can have a meeting and go over any issue and get them resolved. Gallagher stated that the way it is written in the operation and maintenance proposal at this time the septic system testing would be require for everyone to have their system tested. Change the wording in the operation and maintenance to be something like it is requested or have your system tested. Harrison stated We can meet and go over the 537 Plan I am available anytime at your convenience.

Manager's Report:

Item 1: Managers report was read by Chairman Cotsack - A copy of the report is on file and available for review. Duke's Root Control we need to go over the plan and Ed Gregory needs to come up with a 5-year maintenance plan. Gallagher stated that it is better than having additional back ups. O'Donnell asked that a copy of the Manager's Report be attached to the minutes because the Manager was not present at the time.

Item 2: Dry Wall Ceiling in the Filing Room - Option 2 was accepted for \$2250.00 – Karchner Enterprises, LLC

Motion

Motion to accept Option 2 for the Fire Proving Ceiling – First – Gallagher – Second Woelfel

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Olander	-	Affirmative			

Item 3: The Bridge on Butler – Gallagher do we have the sewer line. Harrison (Engineer) – What Engineering Group has the drawings? Gallagher - Daewood has drawings for the bridge project. Harrison (Engineer) I will get a copy of the drawing and see if I can assist Ed Gregory (Manager) with this situation.

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Old Business:

Item 1: PFM Financial Advisor Firm – Woelfel stated we had a discussion at our previous meeting and it was pushed off until this meeting so all the board members could be in attendance for this issue. It is in my opinion that we need a financial advisor working through this with us because everyone has always said from day one that we need the best or cheapest way to finance the 537 Plan the rate is the most important thing and that is what is holding us up so a rate that is going to be likely to happen and gets us the best cheapest rate, but the best way to finance it on behalf of the rate payers is to have a professional advisory firm. I said last time. We use engineers, hydrologist, accountants, and I believe we need a financial firm to help us with the financing of a \$12 million project which is the 537 Plan.

Olander stated that at his primary position in Hazleton they used a financial firm that they just finished up a big project about 14 million dollars and we did bring in a financial firm just to help us put together all the pieces. You can put in for PennVest money, but there is no guarantee you will get the whole amount that is required so you do have to be ready to get financing through other options. The one thing that a financial advisor will do is put out to other banks and get a loan with a pay back as low as possible and a ¼ of a percent can make a big difference. Eble agreed it can make a big difference to the rate payer with their interest rate. Woelfel agreed they can figure out the financing and it will be better for the rate payers.

Eble asked Olander what firm was used on their project and Olander stated that it was Concord Financial so Eble suggested that if it would be possible to have Concord come and do a presentation. Eble stated because this is a \$12 million project and \$40,000 is a lot of money to have to come up with and Woelfel asked Eble why he thought that \$40,000 is a lot of money and Eble said that he is not a rich person so \$40,000 is a lot of money to him. Woelfel stated that you can go anywhere else and it may not work out with a lower percentage rate. We can bring in some other people, but time is of the essence. Peter had brought PFM Financial to us about 3 months ago and this is where we are at. Peter O'Donnell (Solicitor) stated that he has no connection to PFM Financial. Olander agreed to get in touch with Concord and have them come to do a presentation for the Board. Woelfel stated I do not know what PFM rates are. I have been told that the rate is between \$15,000 to \$40,000.

Eble it would be nice if we can get someone to do all our grant writing Gallagher state at this point the 537 Plan is a plan and we are projecting what costs are going to be on a plan that might cost 12 million a project a pie in the sky scenario. We have to send to DEP the cost, the drawing, and a design. I think it is premature to hire a financial advisor at this time. Woelfel stated I thought that in the plan we have to have the plan and the cost before we go to the public so retaining a financial advisor firm would be in best interest of the plan. Eble stated that it is in the best interest of the rate payers to get low cost loans. Bring in another financial firm to compare the two companies.

Gallagher stated projecting what prices are going to be worst-case scenario 10m, 12m, 15m. We need a design and we don't know what it is going to cost. Gallagher stated in his opinion it is premature to add a financial advisor without the design. Once we have the plan, and design in place then we can go forward and get a financial advisor to help with the financing.

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Woelfel if we can move forward with the plan. Eble agreed that they can assist us to get the lowest rate possible. Gallagher stated we need to know what is projected about how much sewage is coming to the plant. Harrison (Engineer) commented although this is a very large project the old constructed sewer lines need to be tied into the new lines which is over 1,000,000.

Harrison I had PennVest because that was the best rate out there it was 1.5% blended rate which is good because that gives you a chance to ramp up the schedule that goes up to about 1.75% which is a blended rate. Gallagher stated that we have money available we are in good standing. I think that we are jumping ahead at this point. We have to come up with a number that is going to be acceptable so we can present to the municipalities so that they can review this and there are not going to get crucified and we are not going to get crucified when we present this to the public. Olander stated that it was at least 6 months before they started the project is when they brought on a financial advisor.

Gallagher on a day like today we can go from .300 gallons per day to a million and half per day we have that much ion. Harrison stated back 50 years ago it was standard practice to connect the foundation drains to the main and to go and try to tie in the new drains to the existing is just not cost effective. After World War II that started not having foundation drains tied into the main, but it was standard practice to have foundation drains tied into the sewer system at that time. Harrison stated the problem with rehab let's just say you go in and seal up the main line in the sewer then the water just gets deeper and goes on to the private properties and removing ion from the private property really is the issue. You can fix the main line of your sewer, but that is only half of the sewer and the other half is on the private property.

Olander stated that he met with Richard and him being a new person on the Board that the size of the plant was adequate for the so you have and the community has the number of EDU's go out for 20 years and it was not going to come up short after doing the entire plan and to have to run that line out to the pilot. You have a lot of homes out there so if the start to fail and fall behind the pilot DEP might say that those homes need to hook into the main line. There is always a chance that they would require that.

Gallagher stated that there are very large areas out there that can potentially problems, but when that line gets a pilot what are the chances that. Cotsack stated this is the work and what it is going to cost to do the work through then have a financial planner come in 6 months. Cotsack state you guys did not have to go this 537 Plan you hired a financial advisor 6 months before starting construction. Olander yes. Cotsack so we have to go through the whole show. Harrison (Engineer) you need to have the design finished in order to submit the plan to the state. Cotsack so we are looking about 1 year before this starts? Gallagher stated well you have to put it out to bid to see what it is going to cost and then at that point you start looking investing unless you put in the paper a week before this 537 Plan and that the sewer rates are going to increase by \$50 to \$100 per person per month. Harrison (Engineer) 6 months plan pennvest rates are now low. Olander will reach out to Concord

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Item 2: Retaining ADP as our Payroll Service – Cotsack, Chairman

Motion to Accept ADP as out Source Payroll Service

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Olander	-	Affirmative			

New Business:

No new business at this time

Public Comment:

Mr. Author Riddle 7 Backfield Circle Brookhill, Sugarloaf PA 18249 – Primarily for the benefit of Mr. Gallagher and Mr. Eble who was not present at the August 28, 2018 meeting. My wife and I are residents of Brookhill for over 41 years and during that time we have lived through two sewer back-ups some of what you were discussing tonight indirectly ties into our situation.

I have recap details that happened on August 13, 2018 a sewer back-up as well as one that had happened to us 15 years ago. What those two had in common is there was a blockage in the main and the street was the same location and it took place during very long rain events so I am here again tonight with my letter dated November 6 and the attached proposal for damages was received by the board I have more copies so if someone from the board does not have it and would like a copy.

What I asked for in that letter was along with our damages was the problematic stretch of sewer between the manholes on Timber Circle and Brookhill be examined for any blockage and for potential breaches that would allow ground water to enter the system. Now we know that someone was out to examine the line, but they would not tell us anything so what we want to know is what was found during their examination. Eble what we are looking into is to not only fix the problem every 10 years when your sewer back up, but to do a possible tree regiment that would stop those tree roots from becoming a problem.

O'Donnell (Solicitor) stated regarding the check for the damages, we have a release for you and your wife to sign and then we will give you the check.

Well you will probably be relieved to hear you will never hear from us again on this topic again because we called the Borough to get a back flow preventer put in now that is going to require a trench in our yard 9ft to 10ft deep maybe up to 5ft wide and it is going to cost us \$6000 to \$7000 so by the time we are done with landscaping and restoration. That is a lot for someone on fixed income, but sadly after two incidents we find that this is our only option to insure.

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My wife all day was running downstairs to see if sewage was coming in she was terrified because of the rain we have been having.

Voting on the Audit Review– We will continue this meeting on Monday, October 1, 2018 at 4:30 pm

Motion to continue this meeting – FIRST - Woelfel – Second - Gallagher

ROLL CALL VOTE:

Cotsack	-	Affirmative	Eble	-	Affirmative
Gallagher	-	Affirmative	Woelfel	-	Affirmative
Olander	-	Affirmative			

Motion to Adjourn at 8:45 PM – FIRST. Cotsack – Second Woelfel No Roll Call – Unanimous.

ATTEST:



Secretary