

**MINUTES  
BROOKVILLE MUNICIPAL AUTHORITY  
Tuesday, May 12, 2015 @ 4:00 P.M.**

The Brookville Municipal Authority met in Council Chambers on Tuesday, May 12, 2015 at 4:00 P.M. with the following in attendance:

**MEMBERS**

Brad Miller  
David Love  
Tom Dinger – arrived 4:05 p.m.  
Robert Moss – arrived 4:02 p.m.  
Sam McKinley – left 4:45 p.m.

**STAFF**

Manager Dana Shick  
Engineer Mark Glenn  
Engineer Travis Long – left 5:00 p.m.  
Accountant Kerry Swineford  
Commissioner Terry O'Neill  
Assistant Commissioner Clyde Bullers  
Solicitor Jim Dennison  
Recorder Christine Gunning

**VISITORS**

Matt Triponey  
Patti Slaughter  
Ben Reed

**CALL TO ORDER:**

Chairman Miller called the meeting to order at 4:00 P.M.

**APPROVAL OF MINUTES:**

Vice-Chairman David Love made two corrections to the minutes of the April 14<sup>th</sup> meeting:

1. Vice-Chairman Love stated under page two, item C, it should read 'Love stated the five acres by the water plant could cause us some problems. We previously expressed interest in them, and asked Solicitor Dennison to pursue purchasing them in conjunction with obtaining the right of way for the Sewer Conveyance Project.'
2. Vice-Chairman Love stated under 'New Business' items one and two are the same, and only one should be listed under the heading 'Jared Street Line Replacement'.

Vice-Chairman Love moved to approve the minutes of the April 14<sup>th</sup> meeting as amended; seconded by Member McKinley. Motion carried 3-0.

**FINANCIAL REPORTS:**

1. **Approval of Financial Reports** – Accountant Kerry Swineford stated the March Financial Reports weren't approved at the last meeting, and there was one change in the sewer, purchased meters line item on page 5 should be \$57,500.00 budget not actual. Accountant Swineford stated he corrected sewer commercial and it should be correct from now on. Accountant Swineford stated he changed 'sewage residential' to 'sewage sales' and 'water residential' to 'water meter sales'. Accountant Swineford stated Vice-Chairman Love asked for a payables list. Vice-Chairman Love stated he would rather have four balance sheet balances for cash, receivables, payables, and debt. Accountant Swineford presented the Board with a supplement to the financials and stated it is the portion of the balance sheet

which is most important to making financial decisions. Vice-Chairman Love moved to pay the rent for the Borough for the entire year; seconded by Member Dinger. Motion carried 5-0. Vice-Chairman Love moved to approve the Financial Reports; seconded by Member Dinger. Motion carried 5-0.

## **VISITORS:**

1. **Ben Reed – Bond Council** – Solicitor Dennison reported as part of USDA funding, they require Bond Council. Ben Reed stated he is a Municipal Finance Attorney with Rhoads and Sinon in Harrisburg, and he specializes in sewer and water. Ben Reed distributed a letter of conditions to the Board Members. Ben Reed stated he wants to talk about key milestones in the transaction. Ben Reed stated the loan amount won't change, and not every USDA loan requires interim financing. Vice-Chairman Love asked if the interest rate was the same on the interim loan, and Ben Reed said not necessarily. Ben Reed stated the Authority will draw on grant funds after the interim financing loan starts to run out, and that the Authority will probably draw from the CFA Grant and the interim bank loan simultaneously. Vice-Chairman Love stated, in doing the CFA pieces, is there anything stopping us from using the \$600,000.00 we have in CDs instead of borrowing money and paying interest on it. Solicitor Dennison stated we need to work out the details. Engineer Travis Long explained to Ben Reed the Authority has a two-part problem. Engineer Long stated the Authority applied for a CFA Grant to make improvements to the collection system, which is Phase 1A of the project. Engineer Long stated Phase 2 of the project deals with the Wastewater Treatment Plant. Vice-Chairman Love asked if the project came in under the loan and the grant, would that be allocated to the grant or the loan or equally between the two. Ben Reed stated none would go to the loan. Ben Reed stated the term of the loan is 40 years, and the first year is interest only. Ben Reed stated they require the Authority to have a depreciation reserve account. Ben Reed stated a debt service reserve fund is built into the loan documents. Ben Reed stated the Bond Council will prepare all the loan documents for the Authority. Vice-Chairman Love moved to approve the Bond Council Legal Services Agreement; seconded by Member McKinley. Motion carried 5-0.

## **COMMITTEE REPORTS:**

### **Engineer's Report**

- A. **Project Funding** – Engineer Mark Glenn reported the Authority received a formal funding offer from USDA-RD Rural Utilities Service on April 29, 2015. Engineer Glenn stated the majority of the \$20,090,000.00 project is being funded by grants totaling \$10,348,000.00. Engineer Glenn reported they are projecting a user rate of \$45.00 per month and 2,350 customers. Engineer Mark Glenn reported the total loan amount is \$9,742,000.00 at a 40 year term and an interest rate of 2.125%.
- B. **Phase 2** – Engineer Travis Long stated Phase 2 will be bid as a separate project. Vice-Chairman Love asked if the cost of the pump stations is included in Phase 2, and Engineer Long stated it is included. Vice-Chairman Love stated we could use the money we budgeted for the pump

stations for something else. Vice-Chairman Love reported the Authority's cash account is lowering due to engineering fees. Engineer Travis Long stated engineering fees are reimbursable, and the Water Office has a running total.

- C. **Act 537 Plan** – Engineer Mark Glenn reported the DEP approved the Act 537 Plan on April 22, 2015.
- D. **CO&A Flow Monitoring Program** – Engineer Mark Glenn reported no overflows have occurred since March 12<sup>th</sup>, and the first quarterly report for 2015 was submitted to DEP on April 21, 2015.
- E. **Phase 1A Wastewater System Improvements (DECD H2O Grant)** – Engineer Mark Glenn reported he has a list of thirty easement owners, and he is giving Solicitor Dennison the plats and descriptions. Mark Glenn stated there are five owners of multiple parcels. Engineer Glenn stated we won't be able to go to bid on the 1A job until we have a pretty clear path on the easements. Engineer Glenn stated we are about 95% done with the plans. Solicitor Dennison asked when Engineer Glenn wants to get it out for bid, and Engineer Glenn stated Labor Day. Vice-Chairman Love reported the deadline is 2019. Vice-Chairman Love stated Solicitor Dennison and Commissioner O'Neill need to get together and decide who will do certain ones on the list.

#### **UNFINISHED BUSINESS:**

- 1. **Rose Township Agreement** – Solicitor Dennison stated he sent everyone a copy of the Rose Township Agreement that was already signed by Rose Township. Solicitor Dennison stated the actual takeover of the system is effective September 1, 2015. Member Dinger moved to approve the Transfer Agreement with the Rose Township Municipal Authority; seconded by Member Moss. Motion carried 4-0. Vice-Chairman Love moved to approve officially Manager Shick as the Secretary of the Municipal Authority retroactive to her date of employment; seconded by Member Dinger. Motion carried 4-0. Vice-Chairman Love stated we are inheriting an Authority with good documentation and financial statements.
- 2. **RBC's Update** – Commissioner Terry O'Neill reported he spoke with Don Elzer twice last week. Commissioner O'Neill stated we are still waiting for the final invoice for unit #8. Commissioner O'Neill reported we still have Don Elzer's molds.
- 3. **Crestwood Mobile Home Park Status** – Solicitor Dennison asked to have this topic taken off the agenda.

#### **NEW BUSINESS:**

- 1. **USDA Paperwork** – Manager Shick reported we have the loan resolution, water and wastewater grant agreement, the authorization agreement for the pre-authorized payments which we will have to discuss the payment intervals, the start date, and the payment amounts, and the ACH payment enrollment form. Vice-Chairman Love moved to accept the USDA paperwork, subject to Solicitor Dennison's and Ben Reed's final review, for the loan agreement for

the new sewer project; seconded by Member Dinger. Motion carried 4-0. Solicitor Dennison stated the Board also needs to approve the Mitigation Measures Resolution because a lot of this will be constructed along the flood plain. Solicitor Dennison stated the Mitigation Measures Resolution states the Authority will keep flood insurance on all the equipment, and that the Authority is not adding anything to the flood plain, but replacing it. Member Dinger moved to approve the Mitigation Measures Resolution; seconded by Member Moss. Motion carried 4-0.

2. **Freedom Software Meeting Update** – Manager Shick stated the Finance Committee met with Dave Crist and Bob Ahearn from Freedom Systems on April 30<sup>th</sup>, and a lot of issues were resolved. Manager Shick stated adding new licenses was discussed. Manager Shick stated it would cost \$5,832.00 for three additional licenses, a training day, and the annual support for the system. Manager Shick stated each license costs \$995.00. Vice-Chairman Love stated Bob Radaker needs a license to have access to reports. Vice-Chairman Love moved to acquire two licenses with Freedom software, one to be available at the Water Plant and the other one to be wherever Bob Radaker is located; seconded by Member Moss. Motion carried 4-0.
3. **Prioritizing Receivables** – Accountant Kerry Swineford reported a lot of issues are lumped under the term ‘adjustments’ on the water/sewer bills, and he talked to Dave Crist about adding more detail to the bill. Solicitor Dennison stated a water/sewer customer’s water/sewer service can be shut off for not paying water meter bills, and customers can be charged late fees on meter bills.
4. **Rose Township Rate District** – Accountant Kerry Swineford stated, in taking over Rose Township, we will set them up for their own sewer rate for Rose Township, and put them on Brookville water rates. Solicitor Dennison stated it has to be effective September 1, 2015, and Rose Township needs to be set up as a separate district. Vice-Chairman Love moved to establish a separate rate district for the accounts that are being transferred into the wastewater collection and conveyance systems transfer agreement, and that that be effective September 1, 2015; seconded by Member Dinger. Motion carried 4-0. Vice-Chairman Love stated Rose Township’s base sewer rate will be based on usage.
5. **Sewer Budget Adjustments** – Vice-Chairman David Love stated if you look at our projects, we have money budgeted that isn’t being used, like \$100,000.00 for regular I&I work, and we have not done any I&I work so far. Vice-Chairman Love stated we have money subject to need, and if we have the manpower to do projects. President Miller asked Commissioner O’Neill and Assistant Commissioner Bullers to come up with a list of projects.
6. **Capital Projects/Timeline** – Commissioner Terry O’Neill reported they are moving forward with the Haugh Hollow Project, and they decided to install six inch line there. Commissioner O’Neill reported they will install two inch line on Brown Road. Assistant Commissioner Clyde Bullers stated they made all the repairs on the frozen areas. Assistant Commissioner Bullers stated they will replace both ends of the culvert in the Route 322 Project. Assistant Commissioner Bullers stated he contacted the engineering firm and talked to Penndot, and asked if there is a reimbursement and if they want to replace that

section, and they said maybe, so we will do some preliminary investigations for them and try to find some depths on that line. Commissioner O'Neill stated we are meeting our immediate needs by putting a six inch line in. Vice-Chairman Love stated Jerry Johnston verbally committed \$20,000.00 to this project. Commissioner O'Neill reported we hope to start Phase 1 late this fall, and we are looking at July for the Nine Star Project. Vice-Chairman Love asked about Short Street, and Commissioner O'Neill stated he put that in as an alternate bid to find out if we can do it.

7. **Tap Fees** – Accountant Kerry Swineford reported the Clarion Federal Credit Union paid their tap fees. Commissioner O'Neill stated we haven't heard from Pinecreek Village, but they have their applications in and their paperwork is done.
8. **Meter Purchases for 2015** – Commissioner Terry O'Neill reported he contacted L.B. Water, and up to last year, our water meter prices were locked in. Commissioner O'Neill reported there may be a potential price increase next month. Commissioner O'Neill stated, if there is a price increase, we are permitted to purchase units at last year's cost, and we would do that earlier this year. Commissioner O'Neill stated if there is not a price increase we will purchase water meters in November of this year. Vice-Chairman Love moved to authorize Commissioner O'Neill to follow through on that and if he has to buy the water meters in advance to take advantage of the lesser price, that he be authorized to do that; seconded by Member Dinger. Motion carried 4-0.

#### **COMMUNICATIONS AND ANNOUNCEMENTS:**

1. **Steering Committee Meeting** – Manager Shick reported the second Steering Committee meeting will be held on Wednesday, May 20<sup>th</sup> at 7:00 p.m. in Council Chambers. Vice-Chairman Love asked Manager Shick what happened at the first Steering Committee meeting. Manager Shick stated the committee, made up of about eight to ten people, met with the engineer and our DEP contact and went over some basic information. Manager Shick stated at the second meeting, they will discuss what to do to protect our source water.
2. **Customer Information Form** – Manager Shick stated she would like to send out a form to water/sewer customers requesting their contact information so we can update our system and alert customers of things that may affect their drinking water. Manager Shick stated we may also use this contact information to alert the town of an emergency situation, like a flood. Vice-Chairman Love moved to authorize Manager Shick to send out a request for phone numbers; seconded by Member Moss. Motion carried 4-0.
3. **Executive Session** – Manager Shick requested an Executive Session for personnel issues with no action expected.

**BOARD/STAFF REPORTS & INFORMATION:**

1. **Commissioner Terry O'Neill** – Commissioner O'Neill stated he contacted Rich Conti pertaining to the land by the water tank. Commissioner O'Neill stated Mr. Conti had said in the past that he would do things including contact National Fuel on our behalf, but hadn't so far. Commissioner O'Neill stated Rich Conti apologized and said he will be going away this week, but Mr. Conti promised to contact Commissioner O'Neill when he gets back so we can finish things up.
2. **Vice-Chairman David Love** – Vice-Chairman Love stated, at the Wastewater Protection meeting, when they drilled the two wells, they suggested having a third well. Vice-Chairman Love asked that someone find the page that shows where they recommend that well be, and then Vice-Chairman Love and President Miller will pursue it.

**EXECUTIVE SESSION:**

The Municipal Authority Board entered an Executive Session at 6:01 p.m. to discuss personnel issues with no action expected. Executive Session ended at 6:30 p.m. with no action taken.

**CALL FOR ADJOURNMENT:**

At 6:30 p.m. Vice-Chairman Love moved to adjourn; seconded by Member Dinger. Motion carried 4-0.

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Administrative Manager