

# **SPRING-BENNER-WALKER JOINT AUTHORITY**

## **REGULAR MEETING**

**May 14, 2018**

### **ATTENDANCE:**

<b>AUTHORITY MEMBERS:</b>	<b>Spring</b>	Joseph Galbraith Gregg Heny Chris McMurtrie Dondi Smeltzer
	<b>Benner</b>	Dan Hoffman William Hughes Timothy Miller
	<b>Walker</b>	Dennis McDowell Joseph Swanderski

**GUESTS:** None present

**CONSULTING ENGINEER:** Andy Johnson, P.E.

**CONSULTING SOLICITOR:** Robert Mix, Esq.

**EXECUTIVE DIRECTOR:** N. Warren Miller

**EMPLOYEES:** Chad Decker, Tasha Dutton, Brandon Eckenroth and Kelly Gill

### **CALL TO ORDER:**

The May 14, 2018, Regular Meeting of the Spring-Benner-Walker Joint Authority was called to order at 7:00 P.M. by Dennis McDowell, Chairman. Mr. McDowell thanked everyone for attending and stated that the meeting would be recorded for transcription.

### **ROLL CALL:**

William Hughes, Secretary, took Roll Call, recording nine members present. Mr. McDowell, Chairman, noted that with a quorum present, the Spring-Benner-Walker Joint Authority was permitted to conduct business under the laws of Pennsylvania.

### **PLEDGE OF ALLEGIANCE:**

Mr. McDowell, Chairman, led the Board members and Employees in the Pledge of Allegiance.

**APPROVAL OF MEETING MINUTES:**

Mr. McDowell asked the Board if there were any questions and/or changes to the April 23, 2018 meeting minutes as presented. **Mr. Galbraith moved, seconded by Mr. Hughes to approve the Minutes of the April 23, 2018 Regular Meeting as presented. 9 ayes, 0 nays. The motion carried.**

**CORRESPONDENCE:**

**Susan Walker/134 Mack Avenue** – We received a letter from Susan Walker requesting the Board grant the reduced user fee for her vacant lot on 134 Mack Avenue in Spring Township. Ms. Walker had purchased a sewer permit in 2009 to construct a home; however, she never utilized the permit due to her mother passing away. Mr. W. Miller indicated Ms. Walker has been paying the full quarterly sewer rate for several years and he recommends approving the reduced user fee for Ms. Walker. **Mr. Hughes moved, seconded by Mr. Hoffman to grant Susan Walker the reduced user fee for her vacant lot at 134 Mack Avenue in Spring Township. 9 ayes, 0 nays. The motion carried.**

**Nittany Engineering & Associates, LLC** - We received an update from Robert Decker on the status of the upgrades to the Bellefonte Borough Authority's (BBA) Wastewater Treatment Plant. The BBA has awarded the general contract to G.M. McCrossin and the electrical contract to Lepley. Both contractors have mobilized and started removal of the RBC units and other items per the required contract sequence. Mr. Decker indicated the first Payment Application is currently being processed and they expect the BBA to take action at their next meeting. Mr. Decker anticipates the project being completed early next year.

**APPROVAL OF PAYMENTS:**

Approval of Requisitions:

**Revenue Fund Requisition 2012-123** – Mr. Heny presented the Board with Revenue Requisition #2012-123 in the amount of \$420,827.87. **Mr. T. Miller moved, seconded by Mr. Hoffman to approve Revenue Requisition 2012-123 payable to SBWJA in the amount of \$420,827.87.** Mr. McDowell asked if there were any questions regarding the presentation of Revenue Fund Requisition 2012-123. Mr. Galbraith asked if the payment of \$11,699.43 for umbrella insurance coverage to EMC Insurance Company was a monthly charge. Mrs. Dutton indicated this payment was based on a quarterly rate. 9 ayes, 0 nays. **The motion carried.**

**GUESTS:**

**Brandon Eckenroth** – Mr. W. Miller introduced the Authority's newest employee to the Authority Board. Mr. Brandon Eckenroth began employment with our Authority on May 7, 2018 in the maintenance department. Mr. Eckenroth previously worked for PennDOT at their Jersey Shore water and wastewater treatment facility. The Board welcomed Mr. Eckenroth.

**EXECUTIVE DIRECTOR'S REPORT:**

**2018 Construction Projects** – Mr. W. Miller indicated it appears the housing market has reversed direction; therefore, he took a moment to discuss the upcoming sewer extension projects for 2018. The projects will be Steeplechase Phase 9 (16 EDUs), Village of Nittany Glen Phase III-B.2, III-C, III-D1, III-D.2 (30 EDUs), Musser Hill Subdivision (12 EDUs), Kenlee Drive Commercial Lot 4 (40 EDUs), Dunkin Donuts at Eagle Point (2.50 EDUs) and Kenlee Drive Commercial Lot 1 (48 EDUs). Mr. W. Miller stressed the importance of employee longevity at S.B.W.J.A. due to the number of employees having experience to inspect the upcoming mainline extensions. It was noted that Mr. Decker is the only experienced inspector at this time; therefore, it will make it very difficult to properly inspect multiple projects at the same time. Mr. W. Miller informed the Board that Mr. Wyant has experienced some spot checking while employed at East Nittany Valley Joint Municipal Authority.

Mr. Swanderski asked if there were additional tests performed on the sewer mainline after it is installed and backfilled. Mr. W. Miller stated the Authority requires video, mandrel and pressure testing of the sewer mainlines after construction. Mrs. Gill also indicated the Authority will re-video the sewer mainlines before the developer's 18 month maintenance bond expires.

It was noted that S.B.W.J.A. is already well above the number of projected connections for 2018.

**SOLICITOR'S REPORT:** Mr. Mix had nothing to report.

**ENGINEER'S REPORT:** Mr. Johnson had nothing to report.

**OLD BUSINESS:**

**Rate Study** – Mr. McDowell asked if the Board had any questions or comments regarding the Rate Study that was completed by Rettew.

Mr. Hoffman feels the Board will need to discuss increasing sewer rentals for our system in the future; therefore, the Board will need to establish a price and timeline for the increase. It was noted that the Authority's rates have not increased in 10 years; therefore, it would be prudent to increase the quarterly rate. Mr. W. Miller stated it was very interesting to see the rate study identified that if the Authority raises its' rates to \$95.00 per quarter over the next 20 years that the 2012 Bond will be paid in full and the Authority would have approximately \$4 to \$5 million dollars in reserves.

The significantly higher quarterly sewer rates for the University Area Joint Authority (UAJA) (\$104/Qtr.) and Bellefonte Borough (\$130/Qtr.) were discussed and it was noted that if the Authority increases sewer rates to \$95.00 per quarter over the next 20 years that our rates will still be lower than UAJA and Bellefonte Borough's current rates. Mr. McDowell indicated the rate study is just a tool that can be modified over the years to help us keep an eye on our future finances.

Mr. Swanderski asked what our total contribution will be to Bellefonte Borough for their upgrades. Mr. W. Miller stated that Authority is figuring \$2.8 to \$3 million dollars for the upgrades; therefore, we budgeted \$3 million. Mr. Swanderski then asked how many bills are sent out quarterly. Mr. W. Miller explained the breakdown of billing different sections of our system each month to provide consistent revenue to the Authority. Mrs. Gill stated approximately 1,300 postcard bills are sent out monthly which doesn't include electronic bills. Mr. Swanderski then restated his question and asked what the calculations would be to bill \$1.00 per quarter for each customer. Mr. W. Miller stated it would generate an additional income of approximately \$30,000.00 per year based on an increase of \$1.00 per EDU per quarter. The Authority staff has determined that a \$5.00 per EDU increase per quarter would increase revenue by approximately \$140,000.00 per year. Mr. Swanderski feels that a \$1.00 per EDU per quarter formula would be a good baseline to help determine the proper rate increase that is needed. Mr. Hoffman suggested a \$3.00 per EDU per quarter increase for 2019 and \$3.00 per EDU per quarter increase for 2021. The Board would then re-evaluate the Authority's financial standings in 2021 to determine if an additional increase is required. Mr. Hoffman feels the customers would be less upset with the smaller rate increases. In past experiences, Mr. W. Miller noticed that customers normally start complaining about rate increases when they exceed 10%.

The rate study suggests the Authority increase sewer rates by \$30.00 per quarter over the next 20 years to remain solvent. Mr. W. Miller explained that typical business management suggests being financially strong if the business can pay six (6) months of their bills with money in reserves. The Authority would be required to have \$1.5 to \$2 million dollars in reserves to follow this practice based on the normal \$3 million dollar budget; however, Bellefonte Borough's unpredictable projects continue to have a significant impact on our budget.

Mr. T. Miller stated that the rate study committee discussed increasing sewer rates to \$5.00 per EDU per quarter by the end of the year, but this was not finalized. Mr. Hoffman believes the Authority should publish an article in the local newspaper explaining the rate increase and the reasoning for doing so when the new rates are established. Mr. McDowell also suggested a bill stuffer be sent just prior to the increase.

**Esri Contract** – Mr. McDowell asked the Board if they were interested in proceeding with the ArcGIS on-line (Esri) Contract upgrade. Mr. Heny stated that he had a question regarding the number of subscriptions needed with this upgrade because he did not understand why the Authority would need to provide GeoDecisions with a subscription. Mr. W. Miller explained that each user or system map has a different subscription; therefore, GeoDecisions could not use a subscription from another company to work on our system map. Mr. Hughes stated that Penn State uses the ArcGIS on-line (Esri) system and he has been trying to talk to one of his co-workers to get a better understanding of what the system offers. Mr. Hoffman asked Mr. Swanderski if he was pleased with his experience using the ArcGIS on-line (Esri) system. Mr. Swanderski stated he really likes the Esri system and it is a very valuable tool. Mr. Swanderski and Mr. Hughes stated there were problems with coordinates during their conversion at Penn State, but they were worked out.

Mr. T. Miller recommended the Board review the proposal that was provided. The proposal to upgrade to ArcGIS on-line (Esri):

- \$500 Per subscription per year – Recommendation of six (6) subscriptions for an annual cost of \$3,000. **This would be a reoccurring annual charge.**
- Purchase of four (4) Laptop Computers with four (4) portable hotspots - \$1,520 each combo for a total of \$6,080
- \$10 per month per laptop for Data Plan with Verizon for an annual cost of \$480. **This would be a reoccurring annual charge.**
- Expense to GeoDecisions for downloading our current GIS mapping onto the ArcGIS on-line (Esri) with training estimated at \$5,000 by GeoDecisions

Mr. Swanderski asked what the total reoccurring charges would be once the system was established. The annual fee to maintain the new system would be approximately \$3,480. Mr. McDowell also stressed that our current ArcReader system is run through Windows 8 and if there would be another upgrade to Windows, we would no longer be able to access our system.

Mr. Johnson stated that paper maps are a thing of the past; therefore, he feels the upgrade would be beneficial to the Authority. Mr. Hoffman stated that the Authority needs to proceed with this upgrade. Mr. T. Miller asked Mr. W. Miller if the current budget could sustain this upgrade and Mr. W. Miller agreed that it would not be a problem. The training and conversion from GeoDecisions would be pulled from contracted services and the equipment would come from capital improvements.

**Mr. T. Miller moved, seconded by Mr. Hoffman to proceed with the ArcGIS on-line (Esri) upgrade. This upgrade would involve the purchase of six (6) subscriptions at \$3,000 per year, four (4) laptop computers in the amount of \$6,000, four (4) portable hotspots in the amount of \$80, four (4) data plans for an approximate total of \$480 per year and \$5,000 in estimated expenses to GeoDecisions for downloading our current GIS mapping onto the ArcGIS on-line (Esri) system and to include training. 9 ayes, 0 nays. The motion carried. Mr. W. Miller thanked the Board for approving this upgrade.**

**Hughes Street Sewer Extension** – The Authority will need to pave several areas on Hughes Street due to our sewer extension. Mr. W. Miller stated the areas are too large for our equipment; therefore, he would like to contract Eby Paving to complete the work. A quote of \$2,360 was obtained from Eby Paving along with a quote of \$4,808 from R.C. Bowman, Inc. Jeff Tate Paving was asked to provide a quote, but the Authority has not received it as of this meeting. **Mr. Hughes moved, seconded by Mr. Galbraith to approve the Hughes Street paving contract with Eby Paving in the amount \$2,360. 9 ayes, 0 nays. The motion carried.**

#### **NEW BUSINESS:**

**Rubber Riser Rings** – Mr. Galbraith asked if we still use rubber riser rings on our manholes throughout the system. Mr. W. Miller stated we do use the rubber riser rings due to their quality. Mr. Galbraith stated that he has been getting a lot of complaints regarding our manholes being too low; however, he is not sure of the locations and the Authority's elevating process. Mr. Galbraith stated a Centre Hall Mountain manhole is mentioned quite frequently. Mr. W. Miller stated an inspector from PennDOT instructed the contractors to install the manholes to his specifications during the Centre Hall Mountain project and once the first manhole was completed he realized the contractor could raise the manholes at their own discretion, because his requirements were too low. PennDOT also requires we lower castings ¼" to ½" to assist them with plowing.

**Manhole on SR144/American Legion** – Mr. W. Miller received a call out on May 12, 2018 to repair a manhole lid that continued to pop out of the casting in front of the American Legion on SR144. Mr. W. Miller stated the maintenance department replaced the lid and casting on May 14, 2018.

**EXECUTIVE SESSION** – Mr. McDowell recessed the Board for an Executive Session at 7:51 P.M. to discuss Personnel issues. The meeting reconvened at 7:57 P.M.

**COMMITTEE REPORTS:**

**Personnel & Community Relations Committee** – Mr. Hoffman had nothing to report.

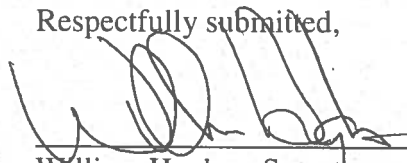
**Facilities Committee:** Mr. Hughes had nothing to report.

**Financial Committee:** Mr. Heny had nothing to report.

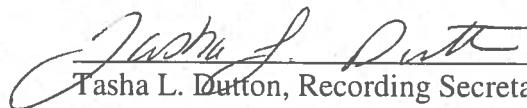
**ADJOURNMENT:**

**Mr. Hughes moved, seconded by Mr. Hoffman to adjourn the meeting at 7:57 p.m. 9 ayes, 0 nays. The motion carried.**

Respectfully submitted,



William Hughes, Secretary



Tasha L. Dutton, Recording Secretary

CC: Benner Township \_\_\_\_\_  
Spring Township \_\_\_\_\_  
Walker Township \_\_\_\_\_