

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

## **REGULAR MEETING**

**May 22, 2017**

### **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 Ted Onufrak

**GUESTS:** None present

**AUDITOR:** Rick Bair, CPA

**EXECUTIVE DIRECTOR:** N. Warren Miller

**EMPLOYEES:** Kelly Gill

### **CALL TO ORDER:**

The May 22, 2017, Regular Meeting of the Spring-Benner-Walker Joint Authority was called to order at 7:00 P.M. by Timothy Miller, Chairman. Mr. T. Miller 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. T. Miller, 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. T. Miller, Chairman, led the Board members and Employees in the Pledge of Allegiance.

**APPROVAL OF MEETING MINUTES:**

Mr. T. Miller asked the Board if there were any questions and/or changes to the May 8, 2017 meeting minutes as presented. **Mr. Galbraith moved, seconded by Mr. McMurtrie to approve the Minutes of the May 8, 2017 Regular Meeting as presented. 9 ayes, 0 nays. The motion carried.**

**AMENDMENT TO THE AGENDA – Mr. McDowell moved, seconded by Mr. Heny to amend the agenda to allow Rick Bair to complete his review of the 2016 audit. 9 ayes, 0 nays. The motion carried.**

**2016 Audit** – Rick Bair of Baker Tilly attended the meeting to present the Authority with the 2016 audit and to answer any questions the Authority may have. Mr. Bair had indicated they conduct their audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Mr. Bair provided the overview of the financial statements with the Board. He indicated that the Authority's total assets consist of \$24,007,236 with the large portion of that being the Authority's fixed assets and the reserves in cash. Mr. Bair also indicated the Authority's Liabilities are \$10,710,931, with the big portion of that being Long-term debt as it relates to the Bond. The total net position was listed as \$13,296,305, which Mr. Bair feels puts the Authority in a strong financial position. Mr. Bair reviewed the annual debt service requirements through 2038.

Mr. Bair briefly covered the Internal Control Over Financial Reporting and stated he did not identify any deficiencies in internal control that he would consider to be material weaknesses.

Mr. Bair indicated the audit is a very easy process because the same general procedures are followed each year and the Authority's personnel are very organized with the financial records.

Mr. T. Miller referenced the Notes to the Financial Statements on Page 9, Custodial Credit Risk, and asked Mr. Bair to further explain how the Authority's monies were exposed to custodial credit risk. Mr. Bair indicated FDIC insurance covers up to \$250,000 per depositor which is blanket coverage for everyone. Most governmental agencies have monies exceeding the FDIC insurance coverage and Pennsylvania Legislature enacted Act 72 in 1971 to enable financial institutions to pledge collateral on a pooled basis to secure public deposits in excess of the FDIC insurance limits. Mr. T. Miller asked if this is verified by the banking institution and Mr. W. Miller indicated our Authority is provided with a list of total securities pledged for public funds on a quarterly basis. Mr. Heny asked what all information is provided within the statement and Mr. Bair stated the banking institution is required to provide the total deposits requiring pledged securities and also reflect the total public fund deposits secured by the securities. The statement should also reflect a detailed list of the total securities pledged.

**2016 Audit Continued:**

Reference was then made to Page 12 where it indicates the Authority was not in compliance with one of the covenants of the bond to issue financial statements within 90 days of the year end and obtained a waiver from the trustee. Mr. T. Miller wanted to know if this was due to the delays with receiving the 4<sup>th</sup> quarter treatment plant billings from the Bellefonte Borough each year. Mrs. Gill stated that was part of the reason; however, our Authority invoices in arrears and the last billing which includes December is not generated until March 15<sup>th</sup> of each year.

Mr. McDowell referred to Page 4 Operating Expenses as it relates to System Plant Charges in the amount of \$347,504 for 2016 and wanted to know if that covered the upgrade work to the Bellefonte Borough's Wastewater Treatment Plant. Mrs. Gill stated that System Plant Charges represent any capital expenditures payable to Bellefonte Borough for that specific year. Our Authority pays 42% of any capital expenditure which also includes engineering of those projects. Mr. McDowell then asked how much SCI Rockview/SCI Benner paid to our Authority for their portion of the \$347,504. Mrs. Gill stated that based on the agreement with the Department of Corrections, SCI Rockview/SCI Benner pays 27.298% of our 42% for any capital expenditure.

With no further questions for Mr. Bair, **Mr. Galbraith moved, seconded by Mr. Heny to approve the 2016 audit as presented.** 9 ayes, 0 nays. **The motion carried.**

Mr. Bair left the meeting at 7:15 p.m.

**CORRESPONDENCE:**

**Sweetland Engineering & Associates** – We received a letter from Brian Anderson of Sweetland Engineering requesting our Authority provide a letter of intent to provide sewer service for 1.00 EDU for the Boyd & Paulina Corl Minor Subdivision in Benner Township. Mr. W. Miller indicated the lot is planned for Mr. and Mrs. Corl's daughter and connection will be made to the sewer main within Lower Gyp Road. **Mr. Hughes moved, seconded by Mr. Hoffman to provide a letter of intent to provide sewer service of 1.00 EDU for the Boyd & Paulina Corl Minor Subdivision in Benner Township.** 9 ayes, 0 nays. **The motion carried.**

**Penn Terra Engineering** – We received a letter from Chad Stafford of Penn Terra Engineering requesting sewer capacity of 30 EDUs for the Village of Nittany Glen Phases III-B.2, III-C, III-D.1 & III-D.2. This entire development was originally approved by the PA DEP for 450 EDUs several years ago and they are now moving forward with the next phase. **Mr. McDowell moved, seconded by Mr. Hughes to approve sewer capacity of 30 EDUs for the Village of Nittany Glen Phases III-B.2, III-C, III-D.1 and III-D.2, contingent upon Bellefonte Borough's approval of the treatment.** 9 ayes, 0 nays. **The motion carried.**

**Hudson Companies** – We received a letter from Tyler Hudson of Hudson Companies requesting sewer capacity of 5.48 EDUs for the Pennsylvania State Police Barracks in Benner Commerce Park. **Mr. McMurtrie moved, seconded by Mr. Galbraith to approve sewer capacity of 5.48 EDUs for the Pennsylvania State Police Barracks, Benner Commerce Park Lot 10R, contingent upon Bellefonte Borough's approval of the treatment.** 9 ayes, 0 nays. **The motion carried.**

**Hawbaker Engineering** – We received a letter from Robert Myers of Hawbaker Engineering requesting a letter of intent to provide sewer service for 1.00 EDU for Lot 4 of the Leo & Bernard Corl Subdivision in Benner Township. Mr. W. Miller indicated the lot is planned for Bernie Corl's son and connection will be made to the sewer main within Seibert Road. The sewer lateral will be approximately 400-500 feet long. **Mr. Hoffman moved, seconded by Mr. Hughes to provide a letter of intent to provide sewer service of 1.00 EDU for the Leo & Bernard Corl Subdivision within Benner Township.** 9 ayes, 0 nays. **The motion carried.**

**Brayman Construction Corporation** – We received notification from Bernard Murphy of Brayman Construction that a section of Linn Street (SR 144) will be closed starting June 5, 2017 and will reopen to traffic on August 28, 2017.

#### **FINANCIAL REPORTS:**

Treasurer's Report: Mrs. Gill provided the Authority Board with a revised Budget vs. Actual report which previously did not include the Bellefonte Treatment expense. Mr. Onufrak reviewed the financial reports for the period ending 04/30/2017. Mr. T. Miller asked if there were any questions regarding the Treasurer's Report or any comments by the Authority staff. **Mr. Galbraith moved, seconded by Mr. Smeltzer to approve the Treasurer's Report as revised.** 9 ayes, 0 nays. **The motion carried.**

#### **APPROVAL OF PAYMENTS:**

Approval of Requisitions:

**Revenue Fund Requisition 2012-101** – Mr. Onufrak presented the Board with Revenue Requisition 2012-101. Mr. T. Miller asked if there were any questions regarding the presentation of Revenue Fund Requisition #2012-99. Mr. Smeltzer referenced the payment to Gwin, Dobson & Foreman for the Pump Station #7 (Zion Ridgecrest) upgrades and wanted to know if this was an additional cost since the final payment was approved at the last board meeting. Mrs. Gill indicated this is the final of the lump sum payment to Gwin, Dobson & Foreman for the engineering services associated with the project. The final construction payment to HRI was approved at the last board meeting. **Mr. Heny moved, seconded by Mr. McMurtrie to approve Revenue Requisition 2012-101 payable to SBWJA in the amount of \$34,498.51.** 9 ayes, 0 nays. **The motion carried.**

**GUESTS:** There were no Guests present for the meeting.

**EXECUTIVE DIRECTOR'S REPORT:**

**509 Hughes Street Sewer Extension** – Our Authority was recently contacted by David Burns of 509 Hughes Street, Bellefonte inquiring about the possibility of public sewer being extended to his home. The property is located in Spring Township near the Faith United Methodist Church and is currently listed for sale. The home is served by an on-lot septic system with a metal tank that will need upgraded with Spring Township's on-lot septage management program.

There is also a vacant lot bordering Mr. Burns' property which the owner has previously approached our Authority about public sewer being extended for that lot as well. Mr. W. Miller asked the Board if they would want to consider installing a 6" sewer main to connect the two properties and tie directly into Bellefonte Borough's main at the intersection of Humes Road and Hughes Street. Mr. W. Miller estimates the extension to cost around \$10,000 and would consist of approximately 150'-200' of 6" mainline. The Authority would collect a \$2500.00 tapping fee per connection.

The other option would be to have Mr. Burns complete the work on his own and execute an Act 57 reimbursement agreement with our Authority. In this case, Mr. Burns would be required to extend the sewer line to his southeastern property line, adjoining the neighboring property, which is further than is needed for his intended purpose.

Mr. Onufrak asked if Spring Township will allow this property to install a new on-lot system or require them to connect to public sewer. Mr. W. Miller stated he was unsure of Spring Township's requirements. The Board suggested Mr. W. Miller contact Spring Township to aid in determining the options available to Mr. Burns and report those findings at a future meeting.

**Spring Township Water Authority** – Following the last Board meeting a letter was sent to the Spring Township Water Authority and Spring Township Supervisors offering our services during their transition with hiring a licensed waterworks operator for their system and on a permanent basis, if so desired. Spring Township has placed a job advertisement for a licensed waterworks operator.

Mr. W. Miller has met with the PA DEP sanitarian to update her on the status of him being the interim operator of record for the system and she has provided a copy of reporting violations and the last inspection report which outlines some deficiencies that were to be corrected, but have not been corrected to date. The PA DEP sanitarian has agreed to offer a grace period to correct the issues or has indicated a violation will be issued.

**Spring Township Water Authority Continued:**

Our Authority has not received a response from Spring Township about an agreement for services, but Mr. W. Miller doesn't believe Spring Township is interested in a long term agreement with our Authority. Mr. W. Miller is planning to attend the Spring Township Water Authority's meeting scheduled for May 24, 2017.

The Authority Board indicated they want something in writing from the Spring Township Water Authority requesting our assistance through the transition and releasing liability against our Authority.

**Resignation** – Ms. Aspen Krape has provided the Authority with an email resignation indicating that she has been accepted at Penn State University and will no longer be able to work for the Authority. Ms. Krape thanked the Authority for the opportunity provided to her.

**Office Assistant/Secretary Position** - Due to the costs associated with advertising the position in a local newspaper and the limited amount of resumes/applications received with the last advertisement, the Authority discussed its options with the search for a qualified applicant. Mr. Hoffman indicated his spouse has access to a professional posting site where she could place notification of the job opening at our Authority and require the individual to apply in person, if the Board agreed. Mrs. Gill indicated she was also considering contacting South Hills Business School to inquire about potential candidates that may have just completed their internships and are ready to graduate. The Authority Board and staff agreed with both Mr. Hoffman's and Mrs. Gill's suggestions.

**OLD BUSINESS:** There was no Old Business presented for discussion.

**NEW BUSINESS:** There was no New Business presented for discussion.

**COMMITTEE REPORTS:**

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

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

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

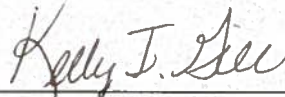
**ADJOURNMENT:**

**Mr. Hughes moved, seconded by Mr. Heny to adjourn the meeting at 7:55 p.m. 9 ayes, 0 nays. The motion carried.**

Respectfully submitted,



William Hughes, Secretary



Kelly J. Gill, Recording Secretary

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