

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

## **REGULAR MEETING**

**June 28, 2021**

### **ATTENDANCE:**

<b>AUTHORITY MEMBERS:</b>	<b>Spring</b>	Toby Dashner Joseph Galbraith Chris McMurtrie
	<b>Benner</b>	Brian Book Willis Houser, Jr.
	<b>Walker</b>	Dennis McDowell Joseph Swanderski

**GUESTS:** John Kostas

**EXECUTIVE DIRECTOR:** N. Warren Miller

**EMPLOYEES:** Will Barton and Kelly Gill

### **CALL TO ORDER:**

The June 28, 2021, 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 purposes.

### **ROLL CALL:**

Joseph Swanderski, Secretary, took Roll Call, recording six members present. Mr. Book entered the meeting at 7:04 p.m. Mr. Heny and Mr. Hoffman were excused from the meeting. 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, Employees and Guests in the Pledge of Allegiance.

**APPROVAL OF MEETING MINUTES:**

Mr. McDowell asked the Board if there were any questions and/or changes to the June 14, 2021 meeting minutes as presented. **Mr. Galbraith moved, seconded by Mr. McMurtrie to approve the Minutes of the June 14, 2021 Regular Meeting as presented.** 6 ayes, 0 nays, 3 absent. **The motion carried.**

**MAY 24, 2021 MEETING MINUTES** - John Kostas indicated he attended an Authority meeting in May 2021 where he discussed PFAS being detected within Spring Creek at two separate locations and wanted to know why the meeting minutes suggested one of the grab samples occurred in Bald Eagle Creek, not Spring Creek. Mr. Miller stated that upon further investigation we determined the grab samples were obtained near Curtin Village, which is within Bald Eagle Creek, not Spring Creek. Mr. Kostas was unaware that Spring Creek transitioned to Bald Eagle Creek at the yellow bridge in Milesburg.

**Mr. Book entered the meeting at 7:04 p.m.**

**CORRESPONDENCE:** There was no Correspondence presented for discussion.

**FINANCIAL REPORTS:**

Treasurer's Report: Mr. McMurtrie reviewed the financial reports for the period ending 05/31/2021. Mr. McDowell asked if there were any questions regarding the Treasurer's Report. **Mr. Galbraith moved, seconded by Mr. Book to approve the Treasurer's Report as presented.** 7 ayes, 0 nays, 2 absent. **The motion carried.**

**APPROVAL OF PAYMENTS:**

Approval of Requisitions:

**Revenue Fund Requisition 2020-30** – Mr. McMurtrie presented the Board with Revenue Requisition #2020-30 in the amount of \$50,418.09. Mr. McDowell asked if there were any questions regarding the presentation of Revenue Fund Requisition 2020-30. **Mr. Swanderski moved, seconded by Mr. Book to approve Revenue Requisition 2020-30 payable to SBWJA in the amount of \$50,418.09.** 7 ayes, 0 nays, 2 absent. **The motion carried.**

**GUESTS:** There were no Guests wishing to address the Board.

**EXECUTIVE DIRECTOR'S REPORT:**

**Pump Station #18 (Village of Nittany Glen)** – Mr. Miller indicated the construction of Pump Station #18 within the Village of Nittany Glen has commenced. With the addition of this pump station the Authority will have a total of 19 pump stations. Pump Station #18 will have 3" suction lift (Gorman Rupp) pumps, run off of 3-phase electric, have a natural gas generator and chlorine gas odor control system. The pump station is being constructed by Leonard S. Fiore and will cost the developer just under \$1 million. Mr. Miller stated the developer hopes to be complete by the end of summer. There are approximately twelve homes under construction that were issued a building permit by the Township, but won't be able to obtain a sewer permit until the sewer infrastructure and pump station is complete and dedicated to our Authority. Discussion was held about the chlorine gas systems at our pump stations.

**COVID-19 Capacity Restrictions** – Mr. Miller stated that the restaurant on the Authority's system that asked for a reduction in billing due to capacity limitations associated with the COVID-19 pandemic has been returned to its full capacity as a result of the governor's lifting of the restrictions at the end of May. This was the only business that requested a reduction in their billing due to COVID-19 restrictions.

**Pump Station #11 (Jenny Gap)** – Mr. Miller stated the upgrades to Pump Station #11 (Jenny Gap) are nearing completion. The remaining items at this time are the fencing and the SCADAPack for the radio telemetry. We've been experiencing a communication issue between the pump station and the unit at the water tank at Supelco since the upgrades began. The SCADAPack at Pump Station #11 was the original design and once it was disconnected to complete the upgrades it is no longer relaying information to the newer, upgraded version at the water tank. As a result, we will have to purchase two (2) new SCADAPacks (PS#11 & PS#10) that were not originally budgeted for. Each SCADAPack will cost approximately \$1,500.00 and will take several weeks for us to receive them.

Mr. McMurtrie indicated he recently drove by Pump Station #11 and wanted to commend the maintenance crew on their workmanship associated with the upgrades to the pump station. Mr. Miller stated the maintenance crew did a fantastic job and saved the Authority a significant amount of money. If this Authority would've had to bid the job (which is typically done at other Authorities) it would have required paying prevailing rate wages and the project would've been in excess of \$100,000. With the Authority's maintenance crew having a wide variety of skills/knowledge, the job will come in below \$40,000 which is a significant savings. Mr. Miller also noted several of the Authority's maintenance crew bring in their own personal (specialized) tools for completing the jobs without hesitation. Otherwise, our Authority would have to rent these types of equipment, since it's not equipment typically associated with the sewer industry.

**Logan Greene** – Mr. McDowell commented that he recently drove by Valentine Hill Road to view the status of the Logan Greene project and was unable to see any work being completed. Mr. Miller stated the construction is to the rear of the property so it's not visible from Valentine Hill Road. Mr. Houser stated that he was able to see the construction from Amberleigh development. Mr. Miller indicated the sanitary sewer is currently being installed within the development and being inspected by our Authority personnel.

**Deerhaven** – Mr. McDowell also commented that the original barn located within the Deerhaven Subdivision is currently being tore down as well. This is to prepare for the next/future phases of Deerhaven.

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

**NEW BUSINESS:**

**2020 Audit** – Christine Zoerner of Baker Tilly Virchow Krause, LLC has provided the Board with a draft of our 2020 audit for review. Ms. Zoerner was unable to present the audit in person due to restrictions associated with the COVID-19 pandemic; therefore, Mrs. Gill presented the audit in her absence. Mrs. Gill indicated she was asked to provide the auditor with complete access to our accounting software remotely and along with back-up documentation electronically due to COVID-19.

Mrs. Gill had indicated Baker Tilly Virchow Krause, LLC 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.

Mrs. Gill stated the Management's Discussion and Analysis (MD&A) is a new addition to the audited financial statements for 2020. In previous years it was noted as being omitted from the audited financial statements and even though it wasn't a requirement, it was highly suggested it be included to assist with providing operational, economic and historical context. Mrs. Gill indicated the MD&A will provide insight to the fluctuation of income/expenses from one year to the next.

Mrs. Gill provided the overview of the financial statements with the Board. She indicated that the Authority's total assets consist of \$20,824,244 with the large portion of that being the system itself, which is recorded at \$18,683,400. Mrs. Gill also indicated the Authority's Liabilities are \$10,579,388, with the big portion of that being Long-term debt as it relates to the 2020 Bond. The total net position was listed as \$10,244,856 which Mrs. Gill feels puts the Authority in a strong financial position.

Mrs. Gill reported the Authority's total operating revenues decreased from \$4,193,415 in 2019 to \$3,745,625 in 2020. Mrs. Gill indicated the decrease in revenues is mainly associated with the decrease in Rockview Usage which is attributed to the Bellefonte Borough Authority's Wastewater Treatment Plant capital project concluding in 2019 since the invoices issued to Rockview were based on those expenditures. Mrs. Gill stated the Authority's tapping fees in 2020 were much lower than typical due to the restrictions placed on construction as part of the COVID-19 pandemic.

Mrs. Gill noted the operating expenses also decreased from \$4,511,996 in 2019 to \$3,704,677 in 2020 for an operating income of \$40,948 (including depreciation of \$879,172) with the Bellefonte Borough Authority's Wastewater Treatment Plant capital project being the largest portion of that decrease. The overall net position decreased from \$10,542,685 in 2019 to \$10,244,856 in 2020.

Mrs. Gill stated the cash/restricted cash increased from \$4,447,992 at the end of 2019 to \$4,972,167 as of December 31, 2020.

Mr. McDowell asked if there were any questions regarding the 2020 audit as presented.

Mr. Dashner thanked Mrs. Gill for her detailed explanation of the 2020 audit. Mr. Swanderski asked about the requirements surrounding the filing of the audited financial statements. Mrs. Gill stated that once the annual audit is approved there are several reporting requirements that must be met. First, she will have to electronically upload files to the website associated with the Authority's bonds which requires us to provide the annual audit, list of the top ten largest customers (users) of the Authority, number of EDUs invoiced, the current budget and rate history. These filings are required to be completed by June 30<sup>th</sup> of each year. The Authority is also required to file the annual audit with the PA Department of Community and Economic Development (PA DCED) by June 30<sup>th</sup> of each year as well; however, the Commonwealth now requires the audit to be filed electronically by the auditor.

Mr. Book referenced Page 17 of the audited financial statements and stated another key component of the audit is that the auditors didn't find any deficiencies and no instances of non-compliance. Mr. Book stated this is a clean opinion by the auditor.

**With no further questions for Mrs. Gill, Mr. Galbraith moved, seconded by Mr. Book to approve the 2020 audit as presented. 7 ayes, 0 nays, 2 absent. The motion carried.**

**COMMITTEE REPORTS:**

**Personnel & Community Relations Committee:** Mr. Hoffman was absent from the meeting.

**Facilities Committee:**

**SBWJA New Facility –** The Facilities Committee met with Larry Walker and Gretchen Knipe of Kissinger, Bigatel & Brower Realtors on June 18, 2021 to provide a tour of our existing facilities and to discuss the need for a new facility. Mr. Book indicated that Mr. Walker has provided a Buyer Agency Contract for his services through December 31, 2021 with a \$0.00 Broker's Fee for the Buyer (SBWJA). Mr. McDowell provided the contract to Mr. Mix for his review and he has provided his approval of the contract. The Buyer Agency contract will require two signatures. **Mr. Book moved, seconded by Mr. Dashner to authorize the Board Chairman and Board Secretary to sign the Buyer Agency Contract provided by Larry Walker/Gretchen Knipe of Kissinger, Bigatel & Brower Realtors through December 31, 2021 with a \$0.00 Broker's Fee for the Buyer (SBWJA). 7 ayes, 0 nays, 2 absent. The motion carried.**

Mr. Book stated earlier today the Facilities Committee reviewed a property in Penn Eagle Industrial Park that has a lot with an existing building with room for an additional building and includes two additional (unimproved) lots for sale. Mr. Swanderski asked what business was previously located in the building and Mr. Book stated it was previously occupied by Techlords at 369 Rolling Ridge Drive. Mr. Swanderski then asked Mr. Miller if he looked at the property and Mr. Miller stated yes, he previously looked at the property when it was first listed on the market. Mr. Swanderski asked Mr. Miller for his opinion of the property and stated he believed it was important for the SBWJA staff to be involved with the decision. Mr. Book stated that he didn't realize Mr. Miller previously viewed the property, but he was invited to attend the site visit earlier today.

Mr. Miller stated that he believed Penn Eagle Industrial Park would not be a good location for this Authority due to the amount of traffic that will be entering/exiting through as a result of the Logan Greene development. Mr. Miller also stated two of the seven acres available with this sale are across the street from the building at the intersection stating this arrangement will likely obstruct daily work. Mr. Book stated that when looking at the property discussions were held about removing walls to provide a more open concept and Mr. Walker indicated he could have a structural engineer look at the property if the Authority was considering it as an option.

Discussions were also held about Mr. Walker revisiting some of the properties that the Authority previously discussed but also talking to developers about immediately purchasing the remainder of the acreage that the Authority doesn't necessarily need. Mr. Walker also suggested advertising for the Authority and making calls to property owners that don't have listings that may consider selling off some of their acreage.

Mr. Houser stated he is pleased with Mr. Walker's work in providing several options already. Mr. Dashner stated the communication is superb as well.

Mr. Book stated a marked-up service area map was provided to Mr. Walker to identify the centralized location the Authority is hoping to locate to.

Mr. McDowell commended the Authority staff for how clean and organized the Authority's existing facilities are that were noted during the tour of our facility. Mr. McDowell stated we have to ask ourselves two things. What is this place going to look like in 25 years and how much are we willing to pay to purchase and build a suitable facility?

**Real Estate Proposals** – Mrs. Gill stated that following the last meeting John Curtin contacted the Authority office after receiving a letter indicating his firm was not selected as our real estate agent and asked Mrs. Gill to relay a message to the Authority Board that he is no longer interested in providing this type of service to the Authority and is therefore withdrawing his proposal. Mr. Curtin indicated the letter suggested that if a transaction doesn't occur before the end of the year, the Authority may wish to revisit the decision.

**Knoebels Family Picnic** – Mrs. Gill indicated the family picnic at Knoebels Amusement Resort is fast approaching and she would need to place a ticket order prior to the next meeting. Mrs. Gill indicated she has recently been informed that many of the rides at Knoebels are closed due to the lack of work force to operate the rides and suggested the Authority may want to cancel the picnic for the 2021 season. Mr. Galbraith agreed and stated he's been told the same thing from various people.

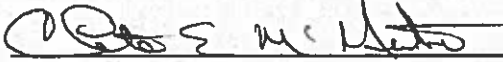
Mr. Book asked if the Board would consider doing something else for the employees in lieu of the Knoebels picnic. He then asked the employees in attendance at the meeting if they thought something else should be done. Mr. Barton indicated he believes it would mean something to the maintenance department employees if an alternative was offered. Mrs. Gill stated she thought that would be a good gesture and Mr. Miller concurred. Mr. Book asked Mr. Miller to come up with some ideas for the staff and present those ideas at the next board meeting.

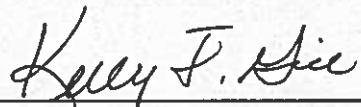
**Financial Committee:** Mr. McMurtrie had nothing to report.

**ADJOURNMENT:**

**Mr. Book moved, seconded by Mr. Dashner to adjourn the meeting at 7:54 p.m. 7 ayes, 0 nays, 2 absent. The motion carried.**

Respectfully submitted,

  
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Christie McMurtrie, Acting Secretary

  
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Kelly J. Gill, Recording Secretary

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