

**Red Lion Municipal Authority
Meeting Minutes
Tuesday, December 15, 2015**

Members

Eric Immel, Chairman
Skip Missimer, Vice-Chairman
Brad Smith, Secretary
Mike Poff, Treasurer
Jeff Herrman, Asst. Sec/Treas.

Others

Keith Kahwajy, Superintendent
Jeff Beard, Asst. Superintendent
Christian Miller, Solicitor
Jason Reichard, Engineer
Chad Arnold, Water Plant
Brad Sprenkle, Water Plant
Stacy Myers, Recording Sec'y

Visitors

Bob Frutiger
Dave Averso
Dianne Price
Krista Gardner, Stambaugh-Ness
Nevin Horne

Tina Frutiger
Cindy Barley
Dennis Klinedinst
Casi Brough, Stambaugh-Ness

1. The meeting was called to order @ 7:00p.m. All present participated in the pledge to the flag.
2. Mr. Smith made a motion to approve the November 17th, 2015 Meeting Minutes; Mr. Herrman seconded. All were in favor; motion carried.
3. **WATER USAGE REPORT**—Usage has been normal. 1.9” of rainfall was received this month.
4. **CONNECTIONS REPORT**—5 new connections this month
5. **BIDS**—Bid results for chemicals for the Water Treatment Plant were distributed & discussed. Keith stated all the low bids were listed in red and that staff had reviewed all the bids, as well as the MSDS sheets and the yellow highlighted items were the staff recommendations. Of note:
 - A new company bid on Liquid Alum with a low bid of \$16.18/CWT, and even though USALCO Chemical has a higher CWT cost (\$18.876), their overall yearly cost is lower, so the staff is recommending USALCO.
 - A new company also bid on Potassium Permanganate with a low bid of \$182.00, but their product wasn't anti-caking, which is necessary at the plant. Higher (recommended) bidder is Coyne with a cost of \$187.41.
 - Fluoride tote—bidding difference of .23cents (total of \$48.00/year) but Shannon Chemical will transfer the totes where needed and Coyne will not do that. Staff recommends Shannon Chemical.Mr. Missimer made a motion to approve the bulk chemical bid list for 2016 as presented and recommended by Municipal staff. Mr. Poff seconded. All were in favor; motion carried. Of note, chemical costs are down approximately \$45,000 from last year (old plant).
6. **VISITORS**—The following addressed the Board:
 - Krista Gardner & Casi Brough from Stambaugh-Ness were present per the Board's request to answer questions pertaining to the Auditor's Report of the 2014 Audit. Mr. Missimer addressed particular statements in the report and the language used. He asked if the language can be made less-confusing for people who may read the report and who are not Auditors or Accountants. Ms. Gardner stated the report (language) is not giving an opinion on internal controls of the organization; suggestions/recommendations are given from Stambaugh-Ness based on the financial statements. There is an opinion on the actual financial statements of the organization, not the controls. There are different levels of deficiencies/weaknesses that the auditors use:
 - Material weakness being the highest—deemed the most important, something that can materially misstate your financial recording. There is a reliance on the auditors

to prepare the financial statements at year-end (audit time) because there is no “on-staff” accountant. While it is probably not realistic to have an accountant on staff at the Borough or Municipal Authority, this is their recommendation to control this material weakness. This “deficiency” is not uncommon with most municipalities of Red Lion’s size.

- Significant deficiency—next step down, not as important as a material weakness, but something that needs reported to the organization.
 - Deficiency—a control matter that is not required to be communicated to the organization, but something the auditors believe may be helpful; i.e. a suggestion of the last person who signs the checks should be the one to stuff & seal the envelopes. These deficiencies can be a “take it or leave it” suggestion.
 - In the future, the Board requested a staff member(s) from Stambaugh-Ness present the audit reports in person. Ms. Gardner agreed to that request.
- Mrs. Barley stated that, regarding Borough staff occupying the upper floors of the Municipal Building where EMA has their offices, the Red Lion Fire Company said they do not have space at the Fire Company to house the EMA personnel.
 - Mr. Immel thanked Nevin Horne for attending the meeting as the newest Borough Council member. He said Nevin is welcome to meet with Keith or Jeff with any questions.
 - Dave Averso from Gannett Fleming said he gave a brief update to Keith earlier this week. There are a number of issues regarding the Wastewater Treatment Plant that need to be resolved by the design team and Dave met with them last week. In order to get the WWTP operational as soon as possible, Dave has assumed the responsibility for 1) getting the two chemical feed systems operational and 2) get the online instrumentation operational. Dave is working with Brad Sprenkle and Lobar regarding some of these issues. He will work with DEP on whether or not the plant can be in service without the online instrumentation. Keith stated that the Municipal Authority will not be responsible for any penalties relating to DEP and the delays that have been experienced. Dave fully understands and believes that once the above issues are resolved, other issues can be addressed (once the plant is online). Dave will also find out the status of the chloramine permitting (through DEP), per the Board’s request. The Board conveyed their frustrations with Gannett Fleming not answering emails or returning phone calls when issues arise. They feel their (Red Lion) needs should be addressed promptly and not “put on the back burner.” Brad Sprenkle said he is not happy at all with the design of the Wastewater Treatment Plant, stating he has a list of inefficiencies and things he feels will not work per Gannett Fleming’s design. He is very frustrated in not receiving cooperation from Gannett Fleming. Brad & Keith will get their list of items/issues to Dave. Dave will relay all of these concerns to Jamie Shambaugh as soon as possible.

7. **WATER AND SEWER—OLD BUSINESS**

- **Solicitor’s Report**—Christian reported on the offer from Lease Advisors wishing to buy-out the cell tower lease agreement. He and Andy recommend getting an appraisal of the lease agreement. The cost for the appraisal would probably be \$2500-\$3500, but would give the Board a better idea of the value of the agreement if they are serious in pursuing this.
- **Engineer’s Report**—Jason reported the following:
 - Dredging at Cabin Creek is complete with the exception of the reconnection of the original intake line to the pump station and removal of the temporary line used to relocate the discharge. This should happen in January.
 - A survey of the reservoir was conducted and Jason compared numbers (material dredged) with Peterson Company. The two were within 560 yards of one another, and the two parties agreed to split the difference to call the project complete. An

Application for Payment (#6) in the amount of \$172,323.93 is before the Board for action. \$30,659.45 will be held in retainage from the original contract. \$9,531.75 is valued in Change Order work still outstanding (relocation of lines, removal of turbidity curtain, etc).

Contract Change Order #6, in the amount of \$116,414.05 (incorporated in the amount of the Appl. For Payment above) is before the Board for action. This Change Order fulfills the 5,750 cu.yds. of material previously approved by the Board and includes the additional dredging of 2,164 cu.yds. (billed at \$23.15/cu.yd) and the 2,213 cu.yds. (billed at \$25.65/cu.yd).

Mr. Missimer made a motion to approve the Change Order, in the amount of \$116,414.05 and also the Application for Payment, in the amount of \$172,323.93.

Mr. Smith seconded. All were in favor; motion carried.

Of note, the total amount budgeted for the Cabin Creek Project was \$1,119,895.

Total spent to date is \$968,013.50. Approx. \$264,000 of the project was covered by FEMA funding.

- **Superintendent's Report**—Keith reported:
 - Authority members attending Borough Council meetings:
 - January 11—Mike Poff
 - February 8th—Eric Immel
 - March 14th—Jeff Herrman
 - Water Availability Letter, Water Main Extension Agreement and Right-of-Way Agreement for the Mia Brae property need to be executed tonight.
 - Water Capacity Agreement and Water Main Extension Agreement for the Denniston Family Limited Partnership need to be executed tonight.
 - Mr. Missimer made a motion to approve the above documents pertaining to the Mia Brae property and also the Denniston Family Limited Partnership. Mr. Smith seconded. All were in favor; motion carried.
 - There were Source Water Protection Meetings held on October 4th & November 18th. Mr. Missimer attended and reported:
 - Together with Windsor Township, an agreement was made for C.S. Davidson to look at the larger of the two storm water detention basins in Milner Heights and to make recommendations for improvements.
 - Storm drain markers have arrived and will possibly be installed by high school students or a Boy Scout troop. There are 250+ markers for the storm drains in the neighborhoods located in the upper end of Cabin Creek.
 - Saturday, April 23rd—an event is being planned at Windsor Wonderland to distribute rain barrels, install the drain markers and some other events. Time is TBD.

8. **WATER AND SEWER—NEW BUSINESS**

- Chad Arnold is now working with Brad Sprenkle at the new Water Treatment Plant.
- A Safety Committee meeting will be held at the Maintenance Department on January 4th, 2016 @ 7:30a.m.
- Approval of Resolution 2015-3 to adopt Water Rates.
- Approval of Resolution 2015-4 to adopt Sewer Rates.
- Approval of Resolution 2015-5 to adopt Certain Fees.
- Approval of Resolution 2015-6 to approve the 2016 Water and Sewer Budget.
- Mr. Smith made a motion to approve the above four (4) Resolutions. Mr. Poff seconded. All were in favor; motion carried.
- Jeff Herrman's term expires on December 31, 2015. Jeff has agreed to serve a full term of five (5) years. Mr. Missimer made a motion to recommend Borough Council reappoint Jeff

- Herrman to the Municipal Authority for a 5-year term, beginning January 1, 2016. Mr. Smith seconded. All were in favor; motion carried.
9. **NEW WATER TREATMENT FACILITIES**—Keith reported the remote access at the Water Treatment Plant is now available. It is view-only; no access or changes can be made through the system.
 10. **Approval of bills, statements and requisitions**—Mr. Poff made a motion to approve the bills, statements and requisitions; Mr. Missimer seconded. All were in favor; motion carried.
 11. **Adjournment**—Mr. Missimer made a motion to adjourn the meeting @ 8:27p.m. Motion carried; meeting adjourned.

Respectfully submitted by:

Stacy Myers, Recording Secretary