

Red Lion Municipal Authority
Meeting Minutes
Wednesday, November 15th, 2016

Members

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

Others

Keith Kahwajy, Superintendent
Jeff Beard, Asst. Superintendent
Christian Miller, Solicitor
Jason Reichard, Engineer
Stacy Myers, Recording Sec'y

Visitors

Cindy Barley
Dee Kabacinski
Nevin Horne

Dennis Klinedinst
Scott Debell

1. The meeting was called to order @ 7:00p.m. All present participated in the pledge to the flag.
2. Mr. Missimer made a motion to accept both the Budget Minutes and Regular Meeting Minutes from October 26th, 2016. Mr. Smith seconded. All were in favor; motion carried.
3. **WATER USAGE REPORT**--.85" of rainfall was received since last meeting
4. **CONNECTIONS REPORT**—1 new connection (Redco Avenue at the Rexroth property)
5. **VISITORS**—Scott Debell from Site Design Concepts was present to discuss Phase 2 of the Laurel Vistas Subdivision and the water service for that area. Phase 1 of this project ended up being bank-owned. Keystone Custom Homes purchased the undeveloped portion of the property with the intention of subdividing it into dozens of smaller lots for homes, with future road extensions. That plan was replaced by one creating oversized lots, subdividing them to be serviced by existing water mains. A temporary cul-de-sac is among the plan to be finished, have houses built & be paved by the end of 2016. After speaking with Jason, Mr. Debell is requesting conditional approval tonight. Jason & Keith suggested extending the main further towards the northwest corner of the cul-de-sac, which Mr. Debell said is no problem. Because of the size of some of the lots and the fact that the houses will sit back so far from the main, the developer is proposing meter pits be installed, rather than water meters in the homes. The proposed plan was discussed. Jason, Keith & Jeff reviewed the plan and their comments were in a letter sent to Site Design Concepts. They would like to see more detail included on the plan so that a contractor would have clear direction on how to proceed with this project. The Municipal Authority is still holding approx. \$25,000 as financial security of Phase 1, Laurel Vistas. That only applies to what has already been constructed there; it doesn't have anything to do with new construction. Mr. Missimer made a conditional approval, contingent upon conditions outlined on Jason's letter being met and his final approval. Mr. Smith seconded. All were in favor; motion carried.
6. **WATER AND SEWER—OLD BUSINESS**
 - **Solicitor's Report**—Christian reported the following:
 - **Resolution 2016-1**—Sewer Tapping Fee; Act 203 Study—based on C.S. Davidson's study, it was determined the Municipal Authority could charge up to \$5,300 for sewer tapping fees. The Board decided on \$3,000; their fee had not changed in over 15 years. Mr. Smith made a motion to adopt Resolution 2016-1; Mr. Herrman seconded. Motion carried, with Mr. Poff opposing.
 - Requests an Executive Session at the end of the meeting to discuss a litigation matter, personnel issue and a real estate matter.
 - Andy's office negotiated with Payment Service Network to get indemnity language allowing the Authority to tap into any insurance policies of the processor in the event of leaking information. PSN would not remove liability

caps or include indemnification for data breaches. This would be covered by the Authority's cyber liability policy. The Certificate of Liability Insurance was received from PSN, naming Red Lion Municipal Authority on it, and Andy is comfortable with the Board moving forward with the agreement. Keith and office staff is comfortable with moving forward with PSN as well. There is a one-time fee of \$200; another fee of \$25 and a \$50 monthly charge to have bills emailed. Christian believes there is a transaction fee as well. It was the consensus of the Board for Christian or Andy to email the revised agreement to the Board for their review before the December meeting.

- **Engineer's Report**—Jason reported the following:
 - 2016 East Broadway & East Avenue Water Main Replacement—project has been completed; staff is satisfied. The Final Application for Payment (#4) has been presented for approval, in the amount of \$123,873.99, with \$0 retainage held. The original contract value for this project was \$585,688.75; final contract value complete in place is \$610,314.70. The Performance Bond is good for one year and covers significant changes in the road/pavement. Mr. Smith made a motion to approve the final payment of \$123,873.99; Mr. Herrman seconded. All were in favor; motion carried.
 - Sanitary Sewer Collection System Cleaning/Televising Contract—ten contractors purchased bid packets. Jason's estimate for this project was approx. \$170,662.14. Mr. Rehab was the low bidder, with a bid of \$109,012.52. Jason concurs and recommends awarding this project tonight. His office will issue a Notice to Proceed in December 2016, with a 150-day contract period for this project. Mr. Smith made a motion to award the bid to Mr. Rehab for a bid of \$109,012.52; Mr. Missimer seconded. All were in favor; motion carried.
- **Superintendent's Report**—Keith reported the following:
 - Authority members attending Borough Council meetings:
 - November 14th—Skip Missimer & Eric Immel attended. Municipal Services Committee is present tonight to discuss the Borough's Rental Agreement (for 2nd floor office space).
 - December 12th—Jeff Herrman
 - January 9th—Brad Smith

7. **WATER AND SEWER—NEW BUSINESS**

- Discussion on 2017 Water and Sewer Budgets
 - The 457-B Retirement Plan—Board consensus was for RLMA to contribute 1% for each employee who contributes a minimum of 3%. This has been included in the 2017 proposed budget.
 - **Resolution 2016-2**—to adopt water rates, no increase in rates.
 - **Resolution 2016-3**—to adopt sewer rates, no increase in rates.
 - **Resolution 2016-4**—certain fees for equipment use, labor & overtime rates. (Labor & overtime rates are the only ones that changed)
 - **Resolution 2016-5**—to accept the 2017 Water & Sewer Budget.
 - Mr. Missimer made a motion to adopt Resolutions 2016-2 through Resolution 2016-5, as presented. Mr. Herrman seconded. All were in favor; motion carried.
- Proposed 2017 meeting dates have been distributed for review & approval at December meeting.
- Chemical bids for 2017 have been advertised. Some of the quantities have been decreased. Bid opening is scheduled for December 15th @ 10a.m.
- Two 6" water main leaks have been repaired; one on Mill Street, one on Country Club Rd.

8. NEW WATER TREATMENT FACILITIES

- Chairman Immel signed Contract #2-Estimate # 24, Final payment to SSM for the plumbing contract at the new Water Treatment Plant.

9. Authority recessed to Executive Session @ 7:40p.m. to discuss litigation matters, personnel matters and a property issue.

10. Authority reconvened @ 8:15p.m.

- Mr. Smith made a motion to execute the Articles of Agreement between the Borough and Authority. Mr. Missimer seconded. All were in favor; motion carried.
- Mr. Missimer made a motion to approve the Settlement Agreement & Mutual Release resolving the Trinity Lobar litigation, via the proposed Settlement Agreement. Mr. Smith seconded. All were in favor; motion carried.
- Mr. Smith made a motion authorizing Chairman Immel to sign the draft (and Final copy, once received) of Change Order #23 (involving the Settlement Agreement), as submitted. Mr. Herrman seconded. All were in favor; motion carried.
- Mr. Missimer made a motion to approve Chairman Immel to sign the draft (and Final copy, once received) of Payment Estimate # 44. Mr. Herrman seconded. All were in favor; motion carried.

11. Other Authority Business—500 hp generator has been advertised in a newspaper in an effort to get it sold quickly. This sale will be done through the bid process.

12. 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.

13. Discussion on rent for 2nd floor offices—Mr. Missimer gave a brief history of the Authority/Borough rent. Around 1992, when he was on Borough Council, the Municipal Authority charged the Borough \$1,000/month rent. It remained \$1,000/month for years. In 1996, the Municipal Authority got the Borough's agreement to spend approx. \$1million to renovate the Municipal Building/offices. The rent still was not increased until March 2016, when it was increased to \$1,500/month. After spending thousands of dollars to carpet and paint the upstairs offices to prepare for the Borough to use them, the Municipal Authority believes \$1,500/month is a fair price. The Municipal Services Committee was present tonight because they thought the rent was going to be revisited after one year of paying utilities, other expenses, etc. They were under the understanding, if the costs came in higher, the rent may increase; if costs came in lower, the rent may decrease. The Authority does not agree that the comment of possibly reducing the rent was ever made, as they believe they're losing money charging only \$1,500/month. An accurate understanding of the expenses won't be known until March 2017, when a full year of costs can be gathered. The Municipal Services Committee does concur with the rental amount of 1,500/month, but they believe it was agreed to revisit the amount after a full year's worth of expenses was received. Ways to cut electricity costs were discussed, as well as, increased cleaning expenses due to cleaning staff now cleaning the whole 2nd floor & stairwell. Currently, the Municipal Authority pays all the bills; the Borough pays the monthly rent of \$1,500/month. The Committee stated they agreed with the current monthly rent and they thanked the Municipal Authority for their time.

14. Adjournment—Mr. Missimer made a motion to adjourn the meeting @ 8:38p.m. Motion carried; meeting adjourned.

15. Next Municipal Authority meeting is scheduled for **Tuesday, December 20th, 2016.**

Respectfully submitted by:

Stacy Myers, Recording Secretary