

**Red Lion Municipal Authority**  
**Meeting Minutes**  
**Wednesday, August 22<sup>nd</sup>, 2018**

**Members**

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

**Others**

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

**Visitors**

Dianne Price  
Stephanie Weaver  
Tina Frutiger

Bob Frutiger  
Dennis Klinedinst  
Nevin Horne

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 July 25<sup>th</sup>, 2018 Meeting Minutes; Mr. Poff seconded. All were in favor; motion carried.
3. **WATER USAGE REPORT**—12.95” of rainfall were received since last meeting.
4. **CONNECTIONS REPORT**—11 new connections (8-The Paddock, 2-Redco Avenue, 1-Delta Rd.)
5. **VISITORS**—
  - Mr. Klinedinst asked if the Authority would charge the Borough more rent if they (Borough) would use the Municipal garage for another vehicle they will be purchasing soon. The current lease allows for “one parking space in the basement”. Keith confirmed there is enough space in the garage; the Board said no additional rent will be charged.
  - Since the alley behind the Municipal Offices were paved, tar drippings were walked in from the garage area onto the upstairs carpet (that had recently been cleaned). Mrs. Price wasn't aware of this until tonight; she said an insurance claim can be started for the damage.
  - Mr. Klinedinst reported what he believed was a discrepancy in his water meter readings at his barn. While he had nine calves in the barn he received a water bill for 5,000 gallons, but when he put nine more calves in, he received a bill for 1,000 gallons. He believes it's a meter issue, stating nine calves couldn't drink 5,000 gallons of water. Mr. Klinedinst said that the meter can't be correct and asked when he could get a new meter. Keith suggested Mr. Klinedinst set up an appointment with the office staff to have the meter replaced.
6. **WATER AND SEWER-OLD BUSINESS**
  - **Solicitor's Report**—Andy reported:
    - **Instrument for Declaration of Restrictions**—document now required by York County Conservation District to be recorded with the post-construction Stormwater Management Plan, in this case, to closeout the NPDES Permit for the water filter plant. It shows the Authority's recognition that they will comply with the terms shown on the PCSM Plan. This is a written agreement to be filed with the PCSM Plan. Mr. Missimer made a motion to approve this agreement in order to closeout the NPDES Permit; Mr. Smith seconded. All were in favor; motion carried.
    - **North Camp Street Water Main Extension**—the resident who had refused to sign the easement agreement had been shown a sketch of the easement that clearly delineates his property line. He seems more agreeable to signing, but if he still refuses, the Authority can file a “Declaration of Taking”. Andy's office has contacted him and will push for a voluntary signing of the agreement.

- **Kaltreider-Benfer Library Subdivision Plan**—the library is moving ahead with their subdivision plan. They would like Jeff Shue (C.S. Davidson) to prepare the plans and he would be reviewing it for the Borough. Andy advised Peter Ruth (Library Solicitor) to contact the Borough about this being a conflict of interest for C.S. Davidson. The Authority would be the “owner” on the plan. Mr. Missimer made a motion authorizing Jeff Shue to prepare the plan at the library’s cost pending Borough Council approval; Mr. Smith seconded. Jason stated the only other option would be for CSD to hand over the plan & information collected to another surveying firm. If this was an issue of a private residence, Jason said CSD wouldn’t work within the municipality they represent, but because so much of the background work had already been done, it makes sense to do so. And it’s in CSD’s best interest to ensure they’re compliant with Borough Ordinances, etc. All were in favor; motion carried. Mrs. Price stated it’s a fairly straightforward Subdivision Plan and she will put this issue on Council’s agenda for discussion in September.
- **Audited Financials**—Authority awarded the Audit proposal to Maher Duessel last month based on the bids that were supplied to them; however, Andy said this recently came to his attention that, per PENNVEST regulations, the Authority must have their financial statements prepared in accordance with GAAP (Generally Accepted Accounting Principles). GAAP requires that an Authority prepare their financial statements on an accrual basis, not a cash basis. Maher Duessel’s one proposal was on a cash basis and there was an approx. \$2,000-3,000 difference between accrual vs. cash. In the past, Stambaugh Ness had prepared the audited financials at the higher quote (accrual basis). All the quotes were based on the same set of audited financials and that set of financials were adequate for PENNVEST. Going back to Hamilton & Musser with the learned information, Andy stated they would stand behind their proposal on the accrual basis per a GAAP standard, but charge an additional \$1,500 to complete financial statements, if they’re necessary. In the past, Keith has found PENNVEST has accepted the audited DCED filing as financial statements. Andy stated while the Treatment Plant was under construction years ago, Federal Law required if more than \$750,000 of federal funds in a year is spent (which some PENNVEST money comes from federal money), a “single audit” is required to be done. This is considerably more expensive than the typical accrual-based audit that the Authority has done now. The Hamilton & Musser quote was considerably cheaper even if the extra approx. \$1,000-2,000 must be spent to produce the necessary financial statements. The higher Maher Duessel quote was similar to what the Authority had paid to Stambaugh Ness in the past. Andy believes Hamilton & Musser has more experience in Municipal Authority audits & PENNVEST issues. Because it’s a professional services contract, the Board can stay with their decision of appointing Maher Duessel, but because of the price difference, he wanted to bring it their attention. The Borough must approve their auditing firm through Resolution & they were prepared to go with Maher Duessel; however, Mrs. Price said the Borough’s audit is not as involved as the Authority’s and they’re agreeable to using Hamilton & Musser. Borough Council will discuss at their September meeting. Mr. Smith made a motion to appoint Hamilton & Musser as the Municipal Authority’s auditing firm, substituting them for Maher Duessel (appointed last month) due to cost differences; Mr. Missimer seconded. All were in favor; motion carried. Andy will draft an Engagement Letter & get it to the Board & Mrs. Price.
- **Engineer’s Report**—Jason reported the following:

- **North Camp Street Water Main Replacement**—MacMor Construction has completed the installation of the 8” water main & connected to the 12” transmission main. Pressure testing has been approved. Service connections should be started next week & will be transferring them from the 2” galvanized line. The contractor encountered some issues (concrete conflicts & location of other joints) while installing the proposed 12 x 8 tapping sleeve/valve onto the existing 12” transmission main. A different option had to be developed and credit was given to the contractor for the original tapping sleeve & valve. These modifications resulted in an increase to the contract value of \$1,899.36. The contractor has requested a time extension due to rainy weather (from 90 to 109 days). A new proposed completion date is October 12<sup>th</sup>, 2018. Mr. Herrman made a motion authorizing the Change Order for the time extension. Mr. Poff seconded. All were in favor; motion carried. Mr. Smith made a motion to approve Application for Payment #1 in the amount of \$27,589.86, which includes the \$1,899.36 noted above for additional necessary piping/parts. Mr. Missimer seconded. All were in favor; motion carried. The estimated remaining contract value is \$188,660.75.
  - **2018 Sanitary Sewer Maintenance Program**—four contractors submitted bids ranging from \$400,000-\$845,000 for Contract #1 (open excavation & sanitary sewer repairs). Two contractors submitted bids ranging from \$166,000-\$175,000 for Contract #2 (cured in-place pipe lining). Two contractors submitted bids ranging from approx. \$9,000-\$18,000 for Contract #3 (air testing & grouting). Jason had estimated all three contracts at \$502,000. The total for all three (using low bids) is \$577,715. Low bidders were as follows:
    - Contract #1--Barrasso Excavation, Inc.—base bid of \$401,970
    - Contract #2—Mobile Dredging & Video Pipe, Inc.—base bid of \$166,790
    - Contract #3—Mr. Rehab, LLC—base bid of \$8,955

The Authority has worked with Barrasso & Mr. Rehab in the past, but never working with Mobile Dredging before, Jason requested references & qualifications. The Board can award the above bids contingent upon receiving successful references & qualifications. Mr. Missimer made a motion to approve Contract #1 to Barrasso (lowest bidder); Contract #2 to Mobile Dredging & Video Pipe contingent upon receiving successful references and acceptable qualifications, with awarding to Mr. Rehab if unsatisfactory references are received; Contract #3 to Mr. Rehab (lowest bidder). Mr. Poff seconded. All were in favor; motion carried.
  - **Cabin Creek Dam Safety Annual Inspection Report**—Jason’s office contacted DEP Division of Dam Safety to check the status of the 2017 annual dam safety inspection report. DEP had record of receiving the report; however, they could not locate the documents. Extra copies were sent for their review & approval; more on this later.
  - **Superintendent’s Report**—Keith reported:
    - Authority members attending Borough Council Work Session/Regular meetings:
      - September 10<sup>th</sup>—Brad Smith
      - October 1<sup>st</sup> & 8<sup>th</sup>—Jeff Herrman
7. **WATER AND SEWER—NEW BUSINESS**—Keith reported:
- Emergency sewer force main rehab was done at Barshinger Creek. An emergency permit from DEP was obtained in order for Kinsley Construction to complete the rehab and full compliance with DEP was maintained.
  - August 20<sup>th</sup>—union negotiations meeting will be held. Executive Session at the end of tonight’s meeting to discuss.
8. **WATER TREATMENT FACILITIES**—The VFD for motor #3 was delivered to the high-service pumpstation & started today. It is running well. It can be turned on & off through the

SCADA system right now, but the hertz must manually be increased. Some testing was done. Sherwin Logan will visit to hook up all the SCADA so it's fully operational.

9. **Other business**—Debe Sowers' retirement party to be held tomorrow, August 23<sup>rd</sup> at the Community Building
10. **Approval of bills/statements**—Mr. Missimer made a motion to approve the bills & statements; Mr. Smith seconded. All were in favor; motion carried.
11. **Authority recessed to Executive Session** @ 7:54p.m. to discuss employee information.
12. **Authority reconvened** @ 8:21p.m. No action was taken.
13. **Authority adjourned** their meeting @ 8:21p.m.
14. **Next RLMA Meeting to be held Wednesday, September 26<sup>th</sup>, 2018**

Respectfully submitted by:

Stacy Myers, Recording Secretary