

SPRING-BENNER-WALKER JOINT AUTHORITY

REGULAR MEETING

December 9, 2019

ATTENDANCE:

AUTHORITY MEMBERS:

Spring	Joseph Galbraith Gregg Heny Chris McMurtrie
Benner	Brian Book Dan Hoffman
Walker	Joseph Swanderski

GUESTS: Rich Davis, Gene Stocker & Pat Ward

CONSULTING ENGINEER: Andy Johnson, P.E.

CONSULTING SOLICITOR: Robert Mix, Esq.

EXECUTIVE DIRECTOR: N. Warren Miller

EMPLOYEES: Kelly Gill & Tasha Dutton

CALL TO ORDER:

The November 25, 2019, Regular Meeting of the Spring-Benner-Walker Joint Authority was called to order at 7:00 P.M. by Joseph Galbraith, Vice-Chairman. Mr. Galbraith thanked everyone for attending and stated that the meeting would be recorded for transcription purposes.

ROLL CALL:

Joseph Swanderski, Assistant Secretary, took Roll Call, recording six members present. Mr. McDowell, Mr. T. Miller and Mr. Smeltzer were excused from the meeting. Mr. Galbraith, Vice-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. Galbraith, Vice-Chairman, led the Board members, Guests and Employees in the Pledge of Allegiance.

APPROVAL OF MEETING MINUTES:

Mr. Galbraith asked the Board if there were any questions and/or changes to the November 25, 2019 meeting minutes as presented. **Mr. Heny moved, seconded by Mr. Hoffman to approve the Minutes of the November 25, 2019 Regular Meeting as presented.** 6 ayes, 0 nays, 3 absent. **The motion carried.**

CORRESPONDENCE:

Dondi Smeltzer – We received an email from Dondi Smeltzer indicating he will be resigning from the Authority Board effective 12/31/2019. The email was forwarded to Spring Township on 12/05/2019 as requested by Mr. Smeltzer.

Richard M. Weyer – We received a letter from Richard M. Weyer of 1835 Walnut Grove Drive, State College in regard to the Benner Township Act 537 Plan Special Study.

Gene Stocker – We received an email from Gene Stocker of 1864 Walnut Grove Drive, State College in regard to the Benner Township Act 537 Plan Special Study.

PennDOT – We received a letter from Gary Bojalad of PennDOT providing authorization to proceed with the preliminary engineering for the SR 64/550 Intersection Improvement project.

Christine Kondash – We received a letter from Christine Kondash of 1436 Majestic View Drive, State College in regard to the Benner Township Act 537 Plan Special Study.

Clearwater Conservancy – We received a letter from Deb Nardone of the Clearwater Conservancy requesting a donation as part of their Year-End Campaign.

APPROVAL OF PAYMENTS:

FINANCIAL REPORTS:

Treasurer's Report: Mr. Heny reviewed the financial reports for the period ending 11/30/2019. Mr. Galbraith asked if there were any questions regarding the Treasurer's Report. **Mr. Book moved, seconded by Mr. McMurtrie to approve the Treasurer's Report as presented.** 6 ayes, 0 nays, 3 absent. **The motion carried.**

APPROVAL OF PAYMENTS:

Approval of Requisitions:

Revenue Fund Requisition 2012-160 – Mr. Heny presented the Board with Revenue Requisition #2012-160 in the amount of \$109,620.53. Mr. Galbraith asked if there were any questions regarding the presentation of Revenue Fund Requisition 2012-160. **Mr. Hoffman moved, seconded by Mr. Book to approve Revenue Requisition 2012-160 payable to SBWJA in the amount of \$109,620.53.** 6 ayes, 0 nays, 3 absent. **The motion carried.**

GUESTS:

Pat Ward, Gene Stocker & Rich Davis – Pat Ward from Uni-Tec Consulting Engineers, Inc. stated he is representing Gene Stocker and that he would like to address the Board with a few comments regarding the Act 537 Plan Special. Mr. Galbraith stated that he believes any questions or comments should be discussed at the special meeting that the Benner Township Supervisors scheduled for December 16, 2019 at 7:00 P.M. Mr. Ward indicated that he understands Benner Township Supervisors make the final decision on approving the Act 537 Plan, but he wanted to speak with the SBWJA Board because the Act 537 Plan is being prepared under the Board's guidance. Mr. Galbraith indicated our Authority's engineer will be present at the special meeting on December 16, 2019 to answer questions; therefore, he does not feel it is necessary to discuss the Act 537 Plan here. Mr. Galbraith indicated Mr. Ward could make a short statement.

Mr. Ward stated that he is investigating the effects of public sewer being extended to the Walnut Grove area where Gene Stocker resides. Mr. Ward indicated the Walnut Grove area, to his estimations, is not an area of malfunctioning septic systems. Mr. Hoffman then interrupted Mr. Ward explaining our Authority has heard this so many times before and then indicated the Act 537 Plan doesn't say the sewer is going to be installed. Mr. Ward stated that he did not realize that and then Mr. Hoffman replied the Benner Township Supervisors have to approve the Act 537 Plan. Our Authority would not have been involved with this if it wasn't for a Benner Township Supervisor repeatedly approaching our Authority Board requesting sewer service. Mr. Ward stated that he was just curious on this Board's position on how certain things happen. Mr. Hoffman stated our position is if the Benner Township Supervisors want public sewer, we will extend it and if the Supervisors don't want it we won't extend public sewer.

Mr. Book indicated the public comment period is open and any written comments must be addressed in the Act 537 Plan; therefore, he would recommend anyone with an opinion, whether it's for or against the plan, should make sure they get their comments in writing. Mr. Book also stated that some are forgetting that the previously approved Act 537 Plan from 2003 included the Walnut Grove area as having public sewer service and this Act 537 Plan simply adjusts the area to include certain properties along Rock Road. Mr. Book stated that it is a shame these comments weren't addressed in 2003 and perhaps corrected in 2003. Mr. Book stated his word of advice would be to make sure Mr. Ward includes comments along those lines in the comment letter that goes into the public record. Mr. Ward stated that he feels there are no malfunctioning septic systems in Walnut Grove and the fact that it was previously included in an Act 537 Plan with 17

years having gone by and sewer still hasn't been built is a testament to the fact there are no problems. Mr. Ward stated if there were malfunctioning septic systems in 2003 it wouldn't take this long to address the problems.

Mr. Ward indicated there were not a lot of alternative routes for installing the sewer that were looked at; therefore, he would like to make a recommendation. Mr. Johnson indicated the initial route he looked into was going through the Spring Creek Canyon and cutting across I-99; however, during a site visit with Rob Everett of the PA DEP it was suggested the Authority not take this route. Mr. Everett indicated if the Authority is going to service the Shiloh Road area we will also be required to address Rock Road, Big Hollow Road and Walnut Grove. Mr. Ward indicated he spoke with Mr. Everett as well and Mr. Everett stated he did not care one way or the other about what happened with Walnut Grove-- that this was something SBWJA must look at.

Mr. Ward suggested the public sewer be installed down Shiloh Road to the Benner Pike and then to the Rockview Prison, as he feels this would be less costly. Mr. W. Miller stated this would be a significant distance and the sewer would need to run directly through the prison. Mr. Johnson also indicated there was not enough capacity available at that site.

Mr. Ward also mentioned the Benner Township Supervisors have zoned the Walnut Grove area as forest conservation and when you read the language about that district it appears they are trying to keep this area rural and farm land related. Mr. Ward stated that the Benner Township Supervisors are inconsistent with their zoning and planning to run public sewer to the Walnut Grove area. Mr. W. Miller stated that SBWJA is not involved with zoning and the extension of public sewer to an area does not mean the zoning is required to change. Mr. Ward thanked the Board for allowing him to address a few items regarding the Act 537 Plan.

Mr. Ward, Mr. Stocker and Mr. Davis exited the meeting at 7:17 P.M.

SYSTEM OVERVIEW REPORT:

November 2019 System Overview – Mr. W. Miller reviewed the November 2019 System Overview with the Board.

In-Home Inspections - There were 23 in-home inspections completed in the month of November.

Sewer Permits and/or Lateral Inspections - Our maintenance department completed five new sewer lateral inspections in November. The office staff received four (4) sewer permit applications in the amount of 4.00 EDUs and issued the permits.

System Maintenance – The maintenance staff made repairs to several manholes and completed preventative maintenance to 75 of our grinder pumps, which are performed every three (3) years. It was noted that pump #2 at Pump Station #11(Jenny Gap) has been having significant problems due to the volute being worn. Mr. W. Miller also indicated the Authority received a telephone call from Eby Paving regarding a septic tank that was exposed during the installation of a new driveway on West Street in Pleasant Gap. Eby Paving was instructed on the process of properly decommissioning the septic tank.

Our personnel completed 1,115 feet of video work for the month of November. The Vactor truck experienced some issues with its regulator that runs the turbo, which was replaced for \$1,621.08.

Sewer Extensions – We started sewer mainline inspections at the Village of Nittany Glen Phase VA.1 &VA.5, which is past the airport on Fillmore Road. Our maintenance staff also completed the sewer mainline inspections at the Centre County Airport Authority's Crosswinds Parking Lot.

Call Outs/ PA One Calls – There were several emergency callouts for PA One Call locates due to emergency water mainline repairs. Mr. W. Miller ended the report with a total of 67 PA One Calls being located in November.

EXECUTIVE DIRECTOR'S REPORT:

Cyber Security – Mr. W. Miller stated that the process of cyber security has been started. Our current webhost, SEDA-Council of Governments, notified us on December 2, 2019 that their ePay system was taken offline due to cyber-fraud activity. Mr. W. Miller stated that this is a payment process that allows our customers to pay their sewer bills through PayPal. It was noted the customers made their payments through their PayPal accounts; however, the monies never reached SBWJA's account. Instead the monies were rerouted to a hacker's account. Mrs. Dutton indicated five (5) of our customers were affected. All customers involved were contacted and have been given instructions on how to have their monies refunded to them. SEDA-COG has decided to discontinue the ePay program; therefore, our customers will no longer be able to make payments using their PayPal accounts. Mrs. Gill indicated the office will investigate the costs associated with accepting credit card payments in the office and by telephone.

Christmas Party – The Christmas Party is scheduled for Thursday, January 16, 2020 at the Pleasant Gap Legion with the appetizers beginning at 5:00 P.M. and dinner at 6:00 P.M.

Act 537 Special Study Meeting – Mr. W. Miller reminded everyone the Benner Township Supervisors will be hosting a public meeting on Monday, December 16, 2019 at 7:00 P.M. to discuss the Act 537 Plan Special Study.

SOLICITOR'S REPORT: Mr. Mix had nothing to discuss.

ENGINEER' S REPORT:

Act 537 Plan Special Study – Gwin, Dobson and Foreman received three (3) letters regarding the Benner Township Act 537 Plan Special Study. Mr. Johnson stated that he is hoping to have the response letters completed and in the mail by December 11, 2019 so they may be available for the special meeting at Benner Township on December 16, 2019. A PowerPoint presentation will be presented to the audience. Mr. Johnson indicated Benner Township Supervisor, David Wise, spoke with him for approximately 45 minutes regarding the project, which he feels went well.

OLD BUSINESS:

2020 Budget – Mr. Galbraith asked if there were any questions concerning the 2020 Budget as presented. The Board had no comments regarding the 2020 Budget. **Mr. Hoffman moved, seconded by Mr. Swanderski to adopt the 2020 Budget in the amount of \$5,761,300.00 as presented.** 6 ayes, 0 nays, 3 absent. **The motion carried.**

Refinancing of 2012 Bonds – Mr. Swanderski inquired about the status of the refinancing of the 2012 bonds. Mr. W. Miller informed the Board that the Authority may have missed its opportunity with refinancing the 2012 bonds as the net savings are nowhere as good as they were several months ago. Mr. W. Miller stated rates often lower after the first of the year so he is hopeful another opportunity for refinance savings may occur.

Budget vs. Actual Report – Mr. W. Miller took a moment to review the income portion of the Budget vs. Actual Report through November 30, 2019 and discussed why the income reflects being at 73% when typically it should be closer to 92% this time of year. Mr. W. Miller referenced line item #52501 – System Reserve Income Deposit and explained that in 2019 he assumed Bellefonte Borough's activities and plant upgrades would require us to use approximately \$1.79 million of cash reserves to fund the budget, since our Authority is required to have a balanced budget. As of November 30, 2019 a journal entry was not made to reflect the monies being used from reserves to pay Bellefonte Borough. Had this journal entry been made, the Authority's income to date would be at 104% for the year, which would put the Authority way above where we should be this time of year for income. Mr. W. Miller indicated 2019 was a good year financially for SBWJA.

Mr. Galbraith asked if we were finished paying Bellefonte Borough for the upgrades to their wastewater treatment plant. Mr. W. Miller indicated the Authority has paid Bellefonte Borough approximately \$3.2 million to date and there is approximately 42% of \$38,000 due for retainage, additional engineering fees and a possible extended overhead claim by Bellefonte Borough's general/mechanical contractor. Mr. W. Miller indicated \$220,000.00 has been included in our 2020 budget due to the uncertainty of a possible claim.

NEW BUSINESS:

Personnel Issues – Mrs. Gill stated as the Human Resources Officer for the Authority she had something to address to the Board. Several SBWJA employees have approached her in reference to the November 25, 2019 meeting minutes regarding the employees receiving a bonus for 2020 versus a cost of living adjustment (COLA) and/or merit increase. The employees had indicated they were concerned with the bonus as it has never been done that way in the past. It was also noted that several employees may be seeking alternative employment due to the uncertainty of the future of this Authority if wage increases are not considered for the employees. Mrs. Gill stated she doesn't have the answers to provide an explanation to the employees in terms of the Board approving a bonus versus COLA and/or merit and would like to know what she should tell them. It was noted that several employees indicated they would like to attend a meeting to obtain answers to their questions; however, Mrs. Gill encouraged the employees to wait. Mrs. Gill asked the Board if they would like to give her direction as what to tell the employees, because she is very concerned of the impact this matter may have on the Authority in the future.

Mr. Swanderski indicated he is unsure of how someone can expect the Board to project raises for the next 15-20 years. Mr. Swanderski also voiced his opinion on how the employees should look at the total package (benefits) and not just the hourly pay. Mrs. Gill stated that on an annual basis she provides each employee with a tally of their benefits, which includes clothing, boot allowance, taxes, insurance, gift certificates, etc.

Mr. Galbraith stated the Board reviewed benefits of surrounding businesses to assist in financial planning. Mr. Swanderski stated that he is unsure why the Board gets such a bad rapport from the employees. Mrs. Gill believes some of this may come from the employees reading the minutes and not hearing the entire conversation the Board may have regarding a matter. It was also noted that several employees feel the Board should not be making decisions on what an employee receives in raises due to the Board not overseeing the kind of work an employee is capable of. Another issue some of the employees are having is they feel it is unfair for an employee lacking a good work ethic to receive the same raise as someone that goes above and beyond. Mr. Swanderski indicated the Board approved the bonus for 2020 with the intention that Mr. W. Miller would distribute the money as he feels fit because he knows the daily operations of the employees. Mr. Hoffman then indicated they will follow the personnel handbook next year and will ask that Mr. W. Miller provide the Board with wage and benefit recommendations.

Mr. Hoffman expressed his disappointment with some of the employees being unhappy with the 2019 wage increases. Mr. Hoffman indicated some of the employees expressed their displeasure with all of the non-exempt employees receiving the same amount of wage increases, even if they did not perform their job as well as their co-workers. The Board approved the bonus this year to allow Mr. W. Miller to distribute the money to the most deserving employees. Mr. Hoffman feels this will help the employees understand if they perform their job to the best of their ability, they will be compensated for their efforts.

Mr. Book asked which Board members are on the Personnel Committee. It was noted that Mr. Hoffman, Mr. Smeltzer and Mr. Swanderski are members of the Personnel Committee. Mr. Hoffman stated the Personnel Committee should not be involved with employee wages. Mr. Book recommended Mr. W. Miller prepare a report for the Board indicating job titles along with the pay ranges for those job titles. Then Mr. W. Miller could indicate how much of a wage increase he recommends for that employee.

Mr. Galbraith stated he serves on the Board for the Titan Federal Credit Union and he stated the office manager presents their Board with a list of wage and benefit recommendations and then the Board decides what should be approved for the employees. Mr. Galbraith stated the Authority has been lacking with this type of information, which will help them know what's going on.

Mrs. Gill asked that the Board clarify why they approved a bonus in lieu of a wage increase so she may present the information to the employees. Mr. Book stated he believes the Board's feelings were that it needed to be a bonus this year because of some sense if it was just a salary increase our costs were going up too quickly and the compounding of percentage increases were getting to out of control. Mr. Hoffman then added if there was a percentage across the board increase the Authority personnel that the Board was complaining about would be receiving the largest raises. Mr. Hoffman explained that this bonus will allow the employees doing a better job to receive more money from the pot versus the employee with poor work ethic and ability.

The Board discussed the possibility of Mr. W. Miller providing the Board with wage increase suggestions; however, this would be difficult due to the COLA not being available until the middle of October and the raise for the following year being based on the performance of the current year. Mr. W. Miller stated that he's always had his thoughts on the amount an employee should receive in wage increases and the dollar figure was incorporated within the tentative budget, but no Board members had ever asked for an explanation on how this figure was calculated; therefore, he doesn't feel he was ever lacking with providing employee wage and benefit recommendations. Mr. W. Miller stated he did his job and it was the Authority Board that changed how they wanted to perceive it and how they wanted to proceed with wages and salaries at this Authority.

Mrs. Gill discussed the Rate Study that was completed in 2013 and some of the draw backs with the study. Mr. W. Miller informed the Board of the current positions the Authority has in the maintenance department. The Board discussed the possibility of creating additional positions within the maintenance department to help the employees strive to better themselves and to increase their wages.

Mr. Book stated that he feels Mr. W. Miller would like more input and involvement into the process of adjusting wages/bonuses and he also believes Mr. Galbraith is looking for more of Mr. W. Miller's input into that process as well. Mr. Book feels the Board is saying both entities want more discussions regarding wages and benefits as we start this process; therefore, we should get this started earlier next year for the 2021 budget. Mr. W. Miller stated that this Board has met privately in Executive Sessions without any SBWJA staff being involved for the past 2 ½ years and this is the first time he has heard this request for wage and benefit information being presented to them.

Mr. W. Miller stated that he would like to start the communication process by asking the Board to approve the Maintenance Crew Leader position, as he feels this would be a good first step. Mr. W. Miller indicated a Maintenance Laborer position may be able to promote to a Maintenance Crew Leader easier than a Maintenance Supervisor. Mr. W. Miller indicated this job description was presented to the Personnel Chairman, Mr. Hoffman, in May 2019 and was discussed at a Board meeting in June; however, it was never approved. Mrs. Gill indicated the Maintenance Supervisor is included in our personnel handbook; however, the Maintenance Crew Leader was never approved and added to the personnel handbook. It was noted that the Maintenance Crew Leader was derived from the 2013 Rate Study.

The Board requested the Maintenance Crew Leader position be placed on the January 13, 2020 agenda for discussion and approval. Mrs. Gill will provide the entire Board with the job description for January's meeting.

Mr. Galbraith stated the Authority may want to discuss the establishment of a training program to assist with the possible promotion of internal staff to the Maintenance Supervisor position. Mr. W. Miller indicated the maintenance department employees are concerned with the wording in the personnel handbook indicating that if a promoted employee does not perform as required and receives an unsatisfactory performance evaluation the employee's position with the Authority will be terminated. Mr. W. Miller suggested this section of the handbook be removed.

COMMITTEE REPORTS:

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

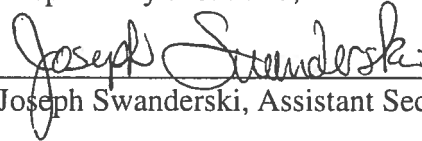
Facilities Committee: Mr. Galbraith had nothing to report.

Financial Committee: Mr. Heny had nothing to report.

ADJOURNMENT:

Mr. Heny moved, seconded by Mr. Book to adjourn the meeting at 8:37 p.m. 6 ayes, 0 nays, 3 absent. The motion carried.

Respectfully submitted,



Joseph Swanderski, Assistant Secretary



Tasha L. Dutton, Recording Secretary

CC: Benner Township _____
Spring Township _____
Walker Township _____