

SPRING-BENNER-WALKER JOINT AUTHORITY

REGULAR MEETING

November 23, 2020

ATTENDANCE:

AUTHORITY MEMBERS:	Spring	Joseph Galbraith Chris McMurtrie
	Benner	Brian Book Dan Hoffman Willis Houser, Jr.
	Walker	Dennis McDowell Joseph Swanderski

GUESTS: Tony Fruchtl and Tom Jacobs

EXECUTIVE DIRECTOR: N. Warren Miller

CONSULTING ENGINEER: Andrew Johnson, P.E.

EMPLOYEES: Will Barton and Kelly Gill

CALL TO ORDER:

The November 23, 2020, 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:

Mr. Swanderski, Secretary, took Roll Call, recording seven members present. Mr. Dashner and Mr. Heny 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.

APPROVAL OF MEETING MINUTES:

Mr. McDowell asked the Board if there were any questions and/or changes to the November 9, 2020 meeting minutes as presented. **Mr. Galbraith moved, seconded by Mr. Swanderski to approve the Minutes of the November 9, 2020 Regular Meeting as presented. 7 ayes, 0 nays, 2 absent. The motion carried.**

CORRESPONDENCE:

ELA Group, Inc. – We received a letter from Matthew Harlow of the ELA Group requesting a revised letter of intent for providing sewer service for the Logan Greene Residential Community (former Hartle Property) in Spring/Benner Townships. Mr. Harlow has requested a revised letter of intent for sewer service of 28 EDUs for Phase 1B of this project. Mr. Harlow was provided with an updated letter of intent for 28 EDUs for Phase 1B of the Logan Greene subdivision on November 23, 2020.

Kerry A. Uhler & Associates, Inc. - We received a letter from Dean A. Fishel of Kerry A. Uhler & Associates, Inc., requesting a letter of intent to provide sewer service to T & M 50 Properties, LLC for a three-lot subdivision located at 2943 Benner Pike in Benner Township. The total number of EDUs required for this subdivision is 2.00 EDUs. Mr. Fishel was provided with a letter of intent for 2.00 EDUs for T & M 50 Properties, LLC on November 19, 2020.

Commonwealth Financing Authority – We received a letter from Carol L. Kilko, Executive Director of the Commonwealth Financing Authority, informing us that we were unsuccessful with receiving grant monies as part of the PA Small Water and Sewer Program.

FINANCIAL REPORTS:

Treasurer's Report: Mr. McMurtrie reviewed the financial reports for the period ending 10/31/2020. Mr. McDowell asked if there were any questions or comments regarding the Treasurer's Report. **Mr. Book moved, seconded by Mr. Houser 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 2020-17– Mr. McMurtrie presented the Board with Revenue Requisition #2020-17 in the amount of \$374,583.42. Mr. McDowell asked if there were any questions regarding the presentation of Revenue Fund Requisition 2020-17. Mr. Book referenced the payment to Bellefonte Borough for the 3rd quarter 2020 and asked if any capital projects were reflected within that billing. Mrs. Gill stated no, this invoice represents operation and maintenance costs only. Mrs. Gill stated that the last two billings we received from Bellefonte Borough didn't reflect a payment due for capital projects. **Mr. Book moved, seconded by Mr. Swanderski to approve Revenue Requisition 2020-17 payable to SBWJA in the amount of \$374,583.42. 7 ayes, 0 nays, 2 absent. The motion carried.**

GUESTS:

Tony Fruchtl (Penn Terra Engineering) and Tom Jacobs (S&A Homes) – Tony Fruchtl, P.E., of Penn Terra Engineering and Tom Jacobs of S&A Homes were in attendance at the meeting to discuss their previously submitted request for waiver of this Authority's rules and regulations as it relates to the requirement of basement service for all structures within the Authority's service area. Mr. Fruchtl stated there are currently 41 existing homes within the Deerhaven subdivision and only six of those homes utilize basement service.

Mr. Jacobs informed the Board that they have done their due diligence and already considered the concerns noted in Mr. Miller's October 29, 2020 letter pertaining to the effects shallowing the sewer main line could have on surrounding development. Mr. Jacobs stated that any parcels to the south of Deerhaven have the ability to connect to the existing sewer main within Trophy Way that is 9.5' deep. Any parcels to the east would convey to the future pump station and any parcels to the north between SR 64 and Deerhaven would connect to gravity sewer either on the east end of their property or on SR 64. Mr. Jacobs feels that raising the sewer main lines within Deerhaven would not have an impact on any surrounding properties due to the reasons mentioned above.

Mr. Jacobs stated throughout phases 1, 2 and 3 of Deerhaven they have spent \$229,266 in rock removal which does not include hauling, mainline installation or lateral installation. This would equate to an average of \$104 per lineal foot for rock removal alone. Mr. Jacobs indicated that they estimate the sewer costs for the remainder of the project (development) to be \$2.79 million. The added expense for rock removal increases the cost per lot and trying to sell lots at an increased price is difficult. At this point the developer is unsure of the future of this development

Mr. Book asked Mr. Jacobs if they were well aware from the beginning that our Authority's rules and regulations require basement service for all structures within the Authority's service area and Mr. Jacobs stated yes. Mr. Book then asked if the developer controls the elevation of the homes and their basements and Mr. Jacobs stated yes. Mr. Book stated that the developer can install the home at whatever elevation they like and Mr. Jacobs also agreed with that statement. Mr. Book stated we've always required basement service and asked Mr. Miller if he knew of any homes within our service area that don't have basement service. Mr. Miller stated that during our in-home inspection process we identified a few homes where basement service was not provided; however, those homes were already existing when this Authority extended public sewer to those areas.

Mr. Fruchtl provided the Board with a map of Deerhaven which outlined 58 homes within Phase 2B, 3B and 4 that would be affected by the basement service requirement. Mr. Miller indicated that he thought the waiver from the basement service requirement was for the remainder of Deerhaven, not just these 58 homes. Mr. Jacobs indicated he has only completed a proforma through Phase 4 and therefore is only requesting a waiver from basement service for these 58 homes. Mr. Miller stated that he believes the topography in phases 5, 6 and 7 will be similar to that of the previous phases and informed the Authority Board that this request will probably continue into future phases. Mr. Fruchtl stated they'll deal with this when the time approaches.

Mr. Miller informed the Board and Mr. Jacobs that when this Authority was approached about sewer service to Deerhaven and the neighboring property (Zion Manor) several years ago discussion was held about eliminating the need for a pump station at Deerhaven by extending gravity sewer service through Zion Manor and Walker Township's property to our existing mainline.

Mr. Book asked if the developer would be willing to have something reflected in the deed of sale about the requirement of an internal grinder pump to attain basement service. Mr. Book indicated that he's not saying he's in favor of this request, but wanted to know if that was an option if the Authority Board would decide to grant the request for waiver. Mr. Jacobs stated that he believes that is a possibility; however, he would have to discuss this with their solicitor to determine the best way to reflect this type of restriction. It may not necessarily be through the deed, but some other method.

Mr. McDowell indicated the Authority Board would like some additional time to consider this request and will contact Mr. Fruchtl upon a final decision being made. Mr. Jacobs thanked the Authority Board for their time and consideration.

EXECUTIVE DIRECTOR'S REPORT:

Rate Study Projections – Mr. Miller informed the Board that a rate study was completed several years ago by Rettew who worked with our Authority personnel in providing a 20-year projection of this Authority's income, expenses and cash reserves. The rate study included capital improvement projects such as the purchase of a new Vactor truck in 2027, trading in the backhoe every three years, the trade in/purchase of utility trucks, upgrades to Pump Station #8 in 2034 and some capital projects at Bellefonte Borough's wastewater treatment plant. The rate study also accounts for inflation for several categories and initially included the addition of 83 EDUs per year to the sewer rentals.

The Authority personnel has been updating the information on a yearly basis and has included the 2019 rate increase, 2020 bond refinance and year-end actual totals. The future projections are also based on the Authority's most recently approved budget.

The Authority Board was provided with two projections through 2038, which is when the Authority's bond issue will conclude. Mr. Miller stated that Mrs. Gill will be working on updating the rate study to maintain a 20-year projection instead of the 18-year projection that was provided for discussion at the meeting.

The first projection did not reflect any rate increases and identified that the Authority will need to raise rates to maintain a positive cash flow through 2038. The second projection reflected a \$10/quarter increase in years 2024, 2029 and 2034 which set the Authority's quarterly sewer rate at \$100/quarter in 2034. Mr. Miller stated the anticipated quarterly rate is still below what our surrounding sewer systems are currently charging for sewer in 2020. This rate projection also reflected purchasing additional sewer capacity (300,000 gpd) from Bellefonte Borough in 2024.

Mr. Miller stated that Mrs. Gill also compiled a rate projection with increasing rates by \$5/quarter in 2024, \$10/quarter in 2029 and \$10/quarter in 2034 and purchasing additional capacity in 2024. This option still maintained positive cash flow for the Authority through 2038, but was not as favorable as the \$10/quarter increase in years 2024, 2029 and 2034.

Mr. Miller stated that this Authority has completed most of the sewer extension projects identified in the incorporating municipalities Act 537 Plans with the exception of the Shiloh Road area and Hublersburg. Mr. Miller also stated that these projections do not include a new facility for this Authority.

Mr. Galbraith stated this is a good guideline for the Authority and rate increases can always be adjusted as we proceed. Mr. Book stated that this shows us that we cannot just never increase rates. Some small incremental increases are good. Mr. Book asked Mr. Johnson if he knows of any other projects that would need considered. Mr. Johnson indicated that discussions were previously held about upgrading Pump Station #5 (Mingoville) as development progresses in Walker Township.

Mr. Miller stated that these projections should be updated on a yearly basis following the audit and is a useful tool when considering the future of this Authority.

ENGINEER'S REPORT:

Act 537 Plan Special Study – Mr. Johnson informed the Board that the PA DEP has kicked back the Act 537 Plan Special Study that was submitted on October 13, 2020 for some correspondence issues. A majority of the items were completed, but inadvertently not included with the plan. Mr. Johnson stated that there was some miscommunication surrounding an acknowledgement from Bellefonte Borough for the treatment of the sewage from the project. A letter has since been submitted to Bellefonte Borough requesting sewer capacity for the project. The Act 537 Plan Special Study will be updated to include the correspondence and will be submitted to Benner Township for their approval before being resubmitted to the PA DEP

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

NEW BUSINESS:

Christmas Party –Mr. McDowell stated that due to the COVID-19 pandemic he recommends not having the annual Christmas party. The Authority Board and staff agreed with Mr. McDowell's recommendation.

Employee Gift Certificates – Mr. McDowell stated it has been an ongoing tradition of the Authority to provide the employees with gift certificates for a local grocery store for the Christmas Holiday and asked if the Board wanted to continue that tradition. **Mr. Book moved, seconded by Mr. McMurtrie to purchase gift certificates for each of the Authority's employees from a local grocery store similar with previous years. 7 ayes, 0 nays, 2 absent. The motion carried**

COMMITTEE REPORTS:

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

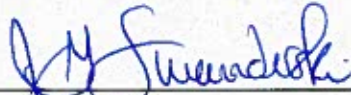
Facilities Committee: Mr. Book had nothing to report.

Financial Committee: Mr. Heny was absent from the meeting. Mr. McMurtrie had nothing to report.

ADJOURNMENT:

Mr. Book moved, seconded by Mr. McMurtrie to adjourn the meeting at 8:06 p.m. 7 ayes, 0 nays, 2 absent. The motion carried.

Respectfully submitted,



Joseph Swanderski, Secretary



Kelly J. Gill, Recording Secretary

CC: Benner Township _____
Spring Township _____
Walker Township _____