

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

BOARD MEETING MINUTES

November 13, 2012

The semi-monthly meeting of the Chalfont-New Britain Township Joint Sewage Authority was held on Tuesday, November 13, 2012, in the Authority's meeting room.

Present: Joseph Bonner, Chairman; Timothy Hagey, Assistant Treasurer; William Rissinger, Vice Chairman; Gustave Haun, Treasurer; Donald Cameron, Assistant Secretary; and William Evans, Secretary. Also present were Joseph Bagley, Solicitor; John Schmidt, Executive Director; Joseph Nolan, Engineer; and Thomas Hauser, Superintendent.

The Chairman called the meeting to order at 7:30 p.m.

ADOPTION OF MINUTES

Mr. Hagey suggested revisions to the October 9, 2012 minutes pertaining to the word "not" and clarifying his absence from only one (1) prior meeting.

MOTION: It was **MOVED** by Mr. Rissinger and **SECONDED** by Mr. Haun to approve the minutes of the meetings of October 9 and October 23, 2012, with the revisions suggested by Mr. Hagey to the October 9, 2012 minutes. The motion was unanimously adopted.

PUBLIC COMMENT

No members of the public were present.

REPORTS OF OFFICERS

There were no reports from officers.

COMMITTEE REPORTS

Mr. Evans inquired of Mr. Schmidt whether everything worked satisfactorily with the change in status of employee Sue Constable. Mr. Schmidt acknowledged that it had.

On behalf of the Finance Committee, Mr. Haun raised the prior recommendation about increasing sewer rates 10%.

There was a general discussion about raising rates. In response to certain questions, it was identified that a 10% rate increase represented \$200,000 per year in revenues. The rate increase would mean about a \$30 increase per year for the average sewer user. Mr. Hagey calculated that it would mean an increase of approximately \$2.85 per month for the average user.

Suggestions were made about alternatives. Mr. Haun responded that the increase in costs each year offsets any budget savings achieved by the Board during the past year or two. The long-term cost savings were already built into the projects providing the cost savings, such as the substitution of natural gas for heating oil and the ultraviolet disinfection project.

There was discussion about preparing a letter for the community to respond to inquiries about the rate increase.

It was discussed that it had been three (3) years since the last rate increase by the Authority.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Hagey to increase the sewer rates by 10% effective with the first billing cycle of 2013. The motion was unanimously adopted.

EXECUTIVE DIRECTOR'S REPORT – John E. Schmidt

Mr. Schmidt reviewed the Authority's buying program for vehicles, the oldest vehicle being 15 years old.

The 1998 Explorer was totaled in an on-site accident. Mr. Schmidt described the condition of the vehicle prior to the accident and reported that the insurance company offered \$3,600 to total the vehicle.

A consensus was reached to accept the insurance proceeds.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Cameron to accept the insurance proceeds and total the 1998 Explorer vehicle. The motion was unanimously adopted.

Mr. Schmidt generally reviewed the proposal by MuniPAY to allow sewer users to pay by credit card. After the general discussion, a consensus was reached that Mr. Schmidt should invite MuniPAY representatives in for a presentation to the Board.

Mr. Schmidt reported that the escrow accounts for Bova Foods and for NBBP Lot 22 (United Rentals) should be closed.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Rissinger to close the escrow accounts for Bova Foods and NBBP Lot 22. The motion was unanimously adopted.

Mr. Schmidt reported on the dryer gas usage. With over one (1) month of usage, the cost of gas was approximately \$39 per batch against \$137 per batch for heating oil.

Mr. Schmidt reported that the long-awaited backup pump for Pump Station No. 7 was finally delivered.

Mr. Schmidt reported on a letter received from CKS Engineers requesting a 2% increase in rates.

MOTION: It was **MOVED** by Mr. Evans and **SECONDED** by Mr. Rissinger to approve the rate increase by CKS Engineers for 2013. The motion was unanimously adopted.

Mr. Schmidt reported that a letter had been sent to the Chalfont Borough Council reminding the Borough that Mr. Cameron's term was ending.

Mr. Schmidt inquired of the Board whether they were interested in continuing the custom of holding the holiday dinner and using Borghi's as the location. After a discussion, Mr. Schmidt indicated that he would look into dates at Borghi's.

Mr. Schmidt suggested to the Board that it was time to take a group photo. A group photo will be taken at the next meeting of the Board.

ENGINEER'S REPORT – Joseph Nolan, P. E.

Mr. Nolan presented the annual report of the consulting engineer. Mr. Nolan summarized the history of construction projects, facilities changing during last year's Phase II project, the gravity sewer project for Pump Stations Nos. 1 and 5, the silo project, operations, monthly performance of the plant, maintenance, costs split between BCWSA and the Authority, the basis for quarterly billings, budget, rate charges, the insurance certificate and the consulting engineer's recommendations for the coming year. A copy of the Report will be sent to the auditor and to BCWSA once the report is approved.

The report will be placed on the Board's agenda for the November 27 meeting.

Mr. Nolan reported on the status of the Phase II Project. The contractor is working on the A&B tanks, removing interior walls and installing buttresses.

Mr. Nolan also reported that the old silo has been demolished. He is reviewing final shop drawings for the new silo which should be erected by Christmas.

Mr. Nolan reported that he is preparing the scope of work for the Phase III Project. He will prepare a cost estimate of the Phase III Project.

Mr. Nolan presented Requisition No. 119 for Capital Expenditures in the amount of \$26,853.51 representing costs for the natural gas conversion project, costs for the silo project and for the emergency pump for Pump Station No. 7. Mr. Nolan recommended approval.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Cameron to approve Requisition No. 119 for Capital Expenditures in the amount of \$26,853.51. The Motion was unanimously adopted.

Mr. Nolan next presented Requisition No. 162 for Capital Improvements in the amount of \$260,987.54, a majority of which is for general contractor expenses for the Phase II project. Mr. Nolan recommended approval.

MOTION: It was **MOVED** by Mr. Cameron and **SECONDED** by Mr. Hagey to approve Requisition No. 162 for Capital Improvements in the amount of \$260,987.54. The Motion was unanimously adopted.

SOLICITOR'S REPORT – Joseph M. Bagley, Esquire

Mr. Bagley indicated that he had nothing to report.

Mr. Bagley was asked about any communication with Mr. Lemek or his counsel. Mr. Bagley has received no communications from Mr. Lemek or his counsel.

TREASURER'S REPORT – Gustave Haun, Treasurer

Questions were asked of the staff regarding particular expenditures including ZEP Industrial Chemicals and Custom Environmental Technologies.

Mr. Haun presented the General Operating Expenses of \$166,432.50. Mr. Haun then reviewed the Capital Expenditures which were previously approved, along with Capital Improvements which were previously approved, and the Loan Fund No. 3 in the amount of \$154,077.74 leaving the total expenditures for the month of \$608,351.29. Mr. Haun recommended approval to pay the bills.

MOTION: It was **MOVED** by Mr. Rissinger and **SECONDED** by Mr. Cameron to pay the bills totaling \$608,351.29. The Motion was unanimously adopted.

Mr. Haun then presented the escrow disbursements amounting to \$2,650.52 and he recommended approval.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Cameron to approve the escrow disbursements totaling \$2,650.52. The Motion was unanimously adopted.

OTHER BUSINESS

The Chairman recommended that the consulting engineer's report, the MuniPAY presentation and the group photograph all be placed on the agenda for the November 27 meeting.

Mr. Evans inquired about the status of underground fuel tanks in connection with the natural gas conversion project. Mr. Schmidt is considering abandonment of one of the tanks.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Hagey to adjourn the meeting. The Motion was unanimously adopted.

The meeting was adjourned at approximately 8:48 p.m.

Respectfully submitted,

Joseph M. Bagley, Solicitor

William T. Evans, Secretary