

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

BOARD MEETING MINUTES

November 14, 2017

The semi-monthly meeting of the Chalfont-New Britain Township Joint Sewage Authority was held on Tuesday, November 14, 2017, in the Authority's meeting room.

Present: Joseph Bonner, Chairman; Donald Cameron, Vice Chairman; Timothy Hagey, Assistant Treasurer; Gustave Haun, Treasurer; Lawrence Nuesch, Assistant Secretary; and William Evans, Secretary. Also present were: John Schmidt, Executive Director; Joseph Nolan, P.E., Authority Engineer; Joseph Bagley, Authority Solicitor; Thomas Hauser, Superintendent; and Jennifer McHugh of Bee, Bergvall, Inc., Authority Auditor.

The Chairman called the meeting to order at 5:00 p.m.

PUBLIC COMMENT

No members of the public were present.

REPORTS OF OFFICERS

No reports of Officers were presented.

COMMITTEE REPORTS

No Committee reports were presented.

EXECUTIVE DIRECTOR'S REPORT – John E. Schmidt

Mr. Schmidt introduced Jennifer McHugh of Bee, Bergvall, Inc. regarding the Auditor's Annual Report.

Jennifer McHugh presented and explained the Auditor's Annual Report for 2016-2017 which was undertaken based on sampling, analytics and comparisons. Ms. McHugh reported that the Authority maintains multiple levels of internal controls and complemented Allison Oldfield on providing Ms. McHugh with information. Ms. McHugh reported that the Auditor's statement is an unmodified opinion, fairly stated and free from material errors. Ms. McHugh presented several charts stating the findings of revenues and expenses over the past three (3) years.

A question was asked regarding the meaning of "G&A". G&A stands for "General and Administrative" expenses.

Ms. McHugh also explained a new accounting requirement being phased in regarding post-employment benefits. In the future, post-employment benefits will appear on the financial statements.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Cameron to accept the Auditor's annual report for 2016-2017. The Motion was unanimously adopted.

Ms. McHugh left the meeting.

Mr. Hagey raised the issue of the \$318,000.00 operating loss (including depreciation) listed in the Auditor's Report.

A discussion ensued about the Finance Committee meeting to discuss a potential rate increase. A meeting of the Finance Committee was tentatively scheduled for Tuesday, November 21 at 9 a.m.

Mr. Schmidt next presented a sewage capacity request for a property at 114 Sellersville Road which is being subdivided. The property is located between New Galena Road and Tower Hill Road in New Britain Township. One (1) EDU is requested.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Evans to approve the sewage capacity for one (1) EDU for 114 Sellersville Road. The Motion was unanimously adopted.

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

Mr. Nolan provided an update on the dryer building re-construction. The roofing of the biosolids building and the centrifuge building is complete. The (smoke) stacking is all installed. The coverings in the interior of the buildings which were installed during reconstruction have been removed. New doors for the buildings have been ordered. A couple of windows and a louvre need to be installed. The screw conveyors were previously delivered and are on the premises to be installed. Mr. Nolan remarked that it was completed a lot quicker than he anticipated.

There was a question from the Board about whether the Phase III Project would be finished by the end of the year. Mr. Nolan replied that there is work to be done on the clarifier, the odor control system and the influent pump station. He stated that the schedule says that it will be completed by the end of the year but it will be depending on weather. There was also an infiltration trench that needs to be put in place to satisfy the Township stormwater management requirements. Seeding and paving will be deferred until the Spring.

Mr. Nolan highlighted a pay estimate for the general contractor of \$39,448.75 as part of a requisition up for consideration today which will make the general contractor 95% complete on the Phase III project. The electrical contractor is presenting a pay estimate of \$56,693.34 which will make the electrical contractor 91% complete as of today.

Mr. Nolan presented Requisition No. 179 for Capital Expenditures in the amount of \$34,831.32 including roof painting, carpeting and the new GMC SUV.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Cameron to approve Requisition No. 179 for Capital Expenditures in the amount of \$34,831.32. The Motion was unanimously adopted.

Ms. Schmidt explained that financing was applied for in order to obtain certain factory rebates, so a check was presented for only \$22,000.00 to purchase the SUV. Once the factory rebates are received, the financing will be paid off by a subsequent check to be presented at a future meeting.

Mr. Nolan next presented Requisition No. 222 for Capital Improvements in the amount of \$102,603.61 for work involving Phase III.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Hagey to approve Requisition No. 222 for Capital Improvements in the amount of \$102,603.61. The Motion was unanimously adopted.

Mr. Nolan next presented the Annual Consulting Engineer Report. He reviewed the current Phase III project anticipated to be completed by the end of 2017 and the increase in treatment plant capacity from 6.0 million gallons per day to 7.0 million gallons per day in 2015. He reviewed a summary of monthly flow treatment efficiencies, improvements as a result of the Phase III project, and cost sharing with other municipalities.

At this point, Mr. Hagey left the meeting.

Mr. Nolan continued to review credits due Bucks County Water and Sewer Authority, various tables of the report including the preliminary budget for 2017-2018, flows and operating efficiencies, the monthly Superintendent's reports and insurance certificates.

MOTION: It was **MOVED** by Mr. Cameron and **SECONDED** by Mr. Nuesch to approve the Engineer's annual report. The Motion was unanimously adopted.

SOLICITOR'S REPORT – Joseph Bagley, Esquire

Mr. Bagley reported that he and Mr. Schmidt are working on the latest draft of the proposed Sewer Use Ordinance which will be provided to the New Britain Township Solicitor in the near future.

TREASURER'S REPORT – Gustave Haun, Treasurer

Mr. Haun reviewed the General Operating Expenses for the month in the amount of \$198,633.31, along with the previously-approved Capital Expenditures making the Total Operating Expenses for the month \$233,464.63. He next reviewed the previously-approved Requisition No. 222 and the payments towards the loan of \$73,304.25, making the Total Expenditures amount to \$409,372.49 and he recommended payment of the bills.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Cameron to approve the Total Expenditures for the month of \$409,372.49. The Motion was unanimously adopted.

Mr. Haun next presented escrow disbursements in the amount of \$140,154.19 and he recommended payment of the disbursement.

MOTION: It was **MOVED** by Mr. Evans and **SECONDED** by Mr. Cameron to pay the escrow disbursements in the amount of \$140,154.19. The Motion was unanimously adopted.

A question was asked about the disbursement for MDG I LLC. Mr. Schmidt explained that this was the cash escrow for the Frost Tract being returned to the developer for the sewer improvements completed to-date.

The Finance Committee scheduled a meeting on November 21 at 9 a.m.

The Chairman called for items for the November 28 meeting. It was confirmed that the Authority's holiday party is scheduled for Thursday, January 11.

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

The meeting was adjourned at approximately 5:42 p.m.

Respectfully submitted,

Joseph Bagley, Solicitor
and Recording Secretary