

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

BOARD MEETING MINUTES

October 23, 2018

The semi-monthly meeting of the Chalfont-New Britain Township Joint Sewage Authority was held on Tuesday, October 23, 2018, in the Authority's meeting room.

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

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

Jennifer McHugh and Sue Moran of Bee Bergvall presented the annual audit report. Jennifer McHugh presented an end-of-audit summary for the fiscal year ending May 31, 2018 reviewing total revenues, total expenses, and net income (loss) with a comparison for the years 2016, 2017 and 2018. Jennifer McHugh stated that the auditor was providing an unmodified opinion which was a clean opinion.

She answered a question from a Board member regarding the net operating loss of \$684,411.00. Ms. McHugh discussed adding back depreciation expense on assets reimbursed by BCWSA and also subtracting interest expense. There was a brief discussion regarding these entries.

Mr. Schmidt then presented a report on internal controls. Two documents were referenced. Ms. McHugh prepared a text summary regarding the budget, the accounting system and which personnel performed which function in regards to internal controls. The Auditor agreed that they are satisfied with the internal controls of the Authority. The second document referenced by Mr. Schmidt is an internal control checklist provided by the Auditor. Mr. Schmidt stated that for the most part Ms. McHugh agreed with the Authority's answers on the checklist. Ms. McHugh did not disagree.

Mr. Schmidt recommended that written procedures and policies be prepared to formalize the internal controls. Mr. Schmidt reviewed the specific internal controls with the Authority Board, some of which the Board members are exposed at the semi-monthly Board meetings. At the conclusion of the Report, the Auditors were excused from the meeting.

Mr. Schmidt next presented the revised budget for the 2018-2019 Fiscal Year. He reviewed with the Board that the Preliminary Budget was approved at the end of March. Mr. Schmidt reported on items that had changed since March including sewer rental and BCWSA operating agreement figures (lowered because the actual figures have been received by now). Mr. Schmidt also noted interest rates are up. He modified road crew wages re-allocating which personnel were split between the collection system and the plant. As a result, some of the expenses have shifted from the collection system to the plant because certain employees are no longer working in the collection system anymore. Plant wages were lowered a little bit because there is still no electrician hired but one is still being sought. Mr. Schmidt also reported on the other expenses varying from the March Preliminary Budget. In summary, total expenses were up 1% from last year. Mr. Schmidt also reported on capital expenses changing from the Preliminary Budget. Lastly, he reviewed the Phase III plant upgrades, the changes in tapping fees and the other revised numbers for 2018-2019.

MOTION: It was moved by Mr. Cameron and **SECONDED** by Mr. Nuesch to approve the Revised 2018-2019 Budget. The Motion was unanimously adopted.

Mr. Schmidt noted that the October 9 minutes have been distributed and asked for any changes. No revisions were suggested.

Mr. Schmidt reported that Wisler Pearlstine was requesting an approximately 3.25% increase in its hourly rate beginning in January 2019. The new rate would be \$155.00. A proposed Resolution for adoption in January was prepared and submitted to the Authority.

Mr. Schmidt reported that the PMAA dinner banquet will be held on Thursday, November 15 and he asked for any Board member who could attend to notify him.

Mr. Schmidt reported that the annual Authority Engineer report will be provided next month by Mr. Nolan.

SUPERINTENDENT'S REPORT – Thomas Hauser

Mr. Hauser reported that treatment plant operations for the month of September were considered normal.

Precipitation: 7.7 inches

Average Daily Flow: 4.99 MGD

Peak Day Flow: 10.2 MG

Mr. Hauser reported that personnel rebuilt one of the thickened sludge pumps. There was a brief power outage on September 11 just as a utility water pump was starting up. It was discovered that the electrical contractor had not set the trip points on the breakers causing the plant's main breaker to trip. The DAFT controller stopped working. The old RAS pump was pulled apart to remove build-up of debris in impellers. There was continued trouble-shooting of ongoing SCADA issues. Mr. Hauser reported contractors chasing a loop in the system. Two back-up power supplies were repaired for the remote SCADA system panels.

In the plant, pump station maintenance was performed. Five final meter readings were read. Six new sewer connections were inspected. Cycle "A" deduct and usage meters were read.

There was a question from the Board about the meters and how they are read, remotely or directly. The meters are read directly. There was a general discussion regarding remote meter reading and its cost.

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

Mr. Nolan reported that the paving Contractor is underway. The Contractor is doing repairs required throughout the plant. If the weather holds out, the Contractor should be able to complete the job.

Mr. Nolan also reported on the Pump Station No. 4 concept. CKS made some initial contact with Bucks County regarding obtaining an easement. CKS is also doing some preliminary work on the design.

Mr. Hagey left the meeting at approximately this point.

A Board Member asked a question about a developer approaching the Authority at this time regarding a sewer connection in that area. Mr. Nolan stated the opinion that a larger scale project may be problematic but a single house would not be a problem.

SOLICITOR'S REPORT – Joseph Bagley, Esquire

The Board recessed into executive session at approximately 5:57 p.m. to discuss pending litigation in the local Magisterial District Court with certain property owners over a tapping fee installment payment contract.

The Board returned to its regular session at approximately 6:03 p.m.

Mr. Schmidt reminded the Board to contact him about the November 15 meeting if anyone could attend.

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

The meeting was adjourned at approximately 6:04 p.m.

Respectfully submitted,

Joseph Bagley, Solicitor
and Recording Secretary