

EAST COCALICO TOWNSHIP AUTHORITY

MEETING MINUTES

JUNE 11, 2020

The regular, monthly meeting of the East Cocalico Township Authority was held on Thursday, June 11, 2020, via Zoom video conferencing.

Those in attendance were as follows:

Members:	Daniel Becker, Samuel Weaver, Edward Nevling, David Lutz, J. Bradford Fichthorn, and Richard Shober (Absent: Gerald DeBalko, Raymond Wolf, and June Kinback)
Solicitor:	Lucy Dowd, Lucy Dowd Law
Engineer:	Rachel Kirkham, CDM Smith
Administrator:	Terry Reber
Employees:	Kenneth Spitler, Tyler Pannebecker, Lisa Shaw, and Jodie Eberly
Visitors:	Benjamin Reid, Eckert Seamans Jennifer Reese & Peter Robelen, GeoServices, Ltd

Chairman Daniel Becker called the meeting to order at 7:00 p.m.

MINUTES: Minutes of the monthly meeting held on May 14, 2020, were approved as presented on motion by David Lutz, second by Samuel Weaver, and carried unanimously.

RECOGNITION OF VISITORS/PUBLIC COMMENT:

REFINANCING WATER REVENUE NOTE SERIES OF 2017: ECTA's Bond Counsel, Benjamin Reid with Eckert Seamans, reviewed with the Board two new refinancing options through the investment bank JPMorgan Chase: 1) A 14-year loan with a fixed 1.40% interest rate for the life of the loan, and the Authority can prepay the entire loan or any portion thereof after three years or 2) A 14-year loan with a fixed 1.16% interest rate for the life of the loan with no option to prepay. Both options assume the same \$2,000,000 upfront prepayment from the sewer fund that was approved at the March 12, 2020 ECTA Board meeting. JPMorgan Chase will hold both interest rate options until July 1, 2020. Mr. Reid presented the Board with a Resolution to authorize the refinancing to proceed.

- Samuel Weaver made a motion to approve and execute Resolution No. 2020-06-11 refunding and retiring Water Revenue Note, Series of 2017 with Water Revenue Note, Series of 2020 with a maximum principal amount of \$2,705,000 after applying an additional amount not to exceed \$2,000,000 from the sewer fund toward the refunding project, second by Edward Nevling, and carried unanimously.
- Richard Shober made a motion to approve and accept the 1.16% fixed interest rate for the life of the loan with no option to prepay, second by David Lutz, and carried unanimously.

Mr. Reid explained that since a proposed term sheet was not submitted by JPMorgan Chase in time for the Board meeting, the 1.16% interest rate may not be the exact rate that is offered to the Authority.

- On motion by Richard Shober, second by David Lutz, and carried unanimously, the motion to approve and accept the 1.16% fixed interest rate for the life of the loan with no option to prepay was rescinded.
- Richard Shober made a motion to approve and accept the 1.16% fixed rate option subject to JP Morgan Chase's submission of acceptable formal terms of lending including a rate of interest

substantially similar to 1.16% and if a higher rate is formally proposed, determination of acceptability will be made by the Authority Administrator in consultation with the Authority Solicitor, second by David Lutz, and carried unanimously.

GEOSERVICES' RECOMMENDATIONS FOR LONG-TERM WELL OPERATIONS AND RE-PERMITTING WELLS 11, F & M: Jennifer Reese from GeoServices, Ltd. gave a PowerPoint presentation on GeoServices' recommendations for long-term well operations and an update on the re-permitting of Wells 11, F & M. Peter Robelen added commentary.

TREASURER'S REPORT (see attached): Administrator Terry Reber reviewed the May 2020 financial reports. The reports were approved as presented subject to audit.

MONTHLY CAPACITY REPORTS (see attached): The May 2020 Monthly Capacity Reports were approved as presented on motion by David Lutz, second by Samuel Weaver, and carried unanimously.

ADMINISTRATOR'S UPDATE: A copy of the update is on file in the Authority Office. Administrator Terry Reber reported on the following:

RT 272 & CHURCH STREET WATER MAIN REPLACEMENT PROJECT: A.H. Moyer, Inc. has completed this project along with some additional valve and hydrant work requested by the Authority. A Certificate of Substantial Completion dated April 21, 2020 has been approved by ARRO Consulting and was presented to the Board for approval.

- J. Bradford Fichthorn made a motion to approve the Certificate of Substantial Completion for A.H. Moyer, Inc. for the Authority's Rt. 272 and Church Street water main replacement project and to allow Administrator Terry Reber to execute the certificate on behalf of the Board, second by Edward Nevling, and carried unanimously.

A.H. Moyer submitted Change Order No. 4 dated May 28, 2020 crediting the Authority \$391.72 for paint damage to four fire hydrants installed by A.H. Moyer which ARRO Consulting recommends for payment.

- Samuel Weaver made a motion to approve Change Order No. 4 crediting the Authority \$391.72 for the Rt. 272 and Church Street water main replacement project, second by Richard Shober, and carried unanimously.

VEHICLE & EQUIPMENT STORAGE GARAGE: Garden Spot Electric, Inc. has submitted Payment Application No. 2 in the amount of \$2,259.00 for final electrical work at the equipment storage garage and has been approved by ARRO Consulting for payment. Payment Application No. 3 was also submitted for release of Garden Spot Electric's retainage funds held by the Authority in the amount of \$4,279.42 and approved by ARRO Consulting. These payments totaling \$6,538.42 are included on the Bills to be Paid listing.

A Certificate of Substantial Completion dated May 1, 2020 and approved by ARRO Consulting for Garden Spot Electric, Inc. was presented to the Board for approval.

- J. Bradford Fichthorn made a motion to approve the Certificate of Substantial Completion dated May 1, 2020 for Garden Spot Electric, Inc. for the Authority's vehicle and equipment storage garage at 77 Stevens Road, Stevens, PA and to allow Administrator Terry Reber to execute the certificate on behalf of the Board, second by David Lutz, and carried unanimously.

HEALTH INSURANCE: On May 26, 2020, the Authority received a refund check in the amount of \$38,550.31 representing 75% of the total refund from the Intergovernmental Insurance Cooperative as part of the 2019 claim fund surplus. The Authority will receive the remaining 25% in the next few months bringing the total refund for 2019 to \$51,400.00.

2019 AUDIT: The draft 2019 audit report was submitted to the Authority. The Board was presented with a letter from the Authority's Auditor, Brown Schultz Sheridan & Fritz, regarding the recently completed 2019 audit. The Authority's financial records were found to be in good order and there were no difficulties in performing or completing the audit. A Zoom meeting with the auditors is scheduled for June 23, 2020 at 7:00 a.m. to discuss the audit in detail.

AUTHORITY'S COMPREHENSIVE INSURANCE PACKAGE: The Authority's business, auto, and workman's compensation insurance package is due for renewal on July 1, 2020. Administrator Reber received a quote of \$33,643.00 from the Authority's current carrier, the Glatfelter Agency. Administrator Reber recommends the Authority continue insurance coverage with the Glatfelter Agency for the 2020/2021 policy year.

- J. Bradford Fichthorn made a motion to continue with Glatfelter Agency for the Authority's comprehensive insurance package from July 1, 2020 to July 1, 2021, at a cost of \$33,643.00, second by Samuel Weaver, and carried unanimously.

MUNICIPAL – AUTHORITY WORK TRUCK: On May 27, 2020, the Authority took possession of a new 2020 Ford F250 work truck to replace the 2005 GMC Sierra 1500 truck. Since the 2005 GMC is an asset of the Authority, Administrator Reber asked for the Board's permission to sell it through Municibid. Most vehicles on this site are sold without a reserve, so the Authority plans to do the same.

- Richard Shober made a motion to sell the Authority-owned 2005 GMC Sierra 1500 work truck with no reserve price through the Municibid online auction website, second by David Lutz, and carried unanimously.

WATER USAGE OF MONTHLY CUSTOMERS DURING COVID-19 PANDEMIC: Administrator Reber presented the Board with a spreadsheet showing monthly water usage from May 2019 to May 2020 for the Authority's monthly commercial, industrial, and residential customers. The overall decrease in water usage for the Authority's monthly customers comparing May 2020 and May 2019 was 1,419,000 gallons or 16.3% which equals \$9,720.00 in lost water revenue.

JULY 2020 QUARTERLY WATER AND SEWER BILLING: Acknowledging the financial hardship caused by the Coronavirus, at the April 9, 2020 Board meeting, the Board approved to waive the 10% late penalty, daily interest and turnoff of water service for the April 2020 quarterly water and sewer billing. Administrator Reber asked the Board if they wanted to continue this with the July 2020 quarterly water and sewer billing which will be mailed July 15, 2020. After discussion, the following motion was made:

- Richard Shober made a motion to waive the 10% late penalty along with daily interest charges for the July 2020 quarterly water and sewer billing and any previous past due amounts and to continue suspension of water turnoff procedures for nonpayment, second by J. Bradford Fichthorn, and carried unanimously.

ADMINISTRATOR JOB SEARCH: The advertisements have been running for almost a month. The Authority received seven applications so far. Initial interviews will be scheduled with three of the applicants.

SUPERINTENDENT'S UPDATE: A copy of the update is on file in the Authority Office. Superintendent Spitler reported on the following:

ROUTINE VOC SAMPLE EXCEEDENCE AT WELL 10: The trichloroethane (TCE) exceeded the maximum contaminant level in the routine VOC sample taken on May 1, 2020 at Well 10. This is not characteristic of this well. A check sample was taken on May 8, 2020 and the result was below the maximum containment level, so the DEP concluded there was no violation. Administrator Reber was instructed by the Board to get proposals for treatment alternatives.

GEHMAN SCHOOL ROAD SEWAGE LIFT STATION: There was a pump motor variable frequency drive (VFD) fault for Pump 1 at the Gehman School Road sanitary sewer lift station. M&S Service completed the VFD replacement on June 10, 2020. The VFD for Pump #2 was replaced the next day.

STEVENS PUMPING STATION: On May 29, 2020, there was a power failure following a storm at the Stevens sanitary sewer lift station. Garden Spot Electric helped with the troubleshooting process remotely. It appears that a 3 pole breaker near the electric meter is no longer dependable. Garden Spot Electric has been authorized to replace the breaker. On June 9, 2020 wastewater had overflowed. There was no high water alarm and the pumps did not work in the automatic mode. Envirep was contacted to address the problem. Through a lengthy troubleshooting process, level monitoring equipment including an air pump and check valves, as well as a pump controller were replaced. The alarms still need to be connected to the auto dialer. Chairman Becker reminded Engineer Kirkham of the importance of getting the Stevens Pumping Station expansion project underway so the Authority does not have to continue to make costly repairs.

WATER LATERAL BREAK: A leaking water lateral was repaired at 12 North Reamstown Road on May 31, 2020.

ENGINEER'S UPDATE: A copy of the update is on file in the Authority Office. Engineer Rachel Kirkham reported on the following:

WELL M DEVELOPMENT: Engineer Kirkham said the project is just about ready for bid. She will be participating in the WATEK meeting next week to discuss coordinating bidding schedules.

GEHMAN BASIN I&I INVESTIGATION: Snyder Environmental completed site work in mid-May for final punchlist items, and they are completing the data processing. CDM Smith prepared the substantial completion certificate with a date of March 5, 2020. Once signed by the contractor and CDM Smith, it will be forwarded to ECTA. CDM Smith submitted the draft tech memo to ECTA this evening. Once the final set of data is received from Snyder Environmental, the memo will be finalized.

STEVENS PUMPING STATION EXPANSION: The land development planning waiver request was reviewed at the May ECT Planning Commission meeting and will be presented to the ECT Board of Supervisors with a list of conditions for their consideration.

WABASH LANDING PHASE 2: CDM Smith coordinated with ECTA and Solicitor Dowd on a response to the Township regarding the developer's request to begin portions of Phase 2 construction (earthwork and stormwater management) prior to final plan approval. Specific ECTA requirements related to the initial earthwork were provided to the developer's engineer and contractor. CDM Smith participated in a June 11, 2020 conference call with the developer's engineer and the Township engineer regarding the proposed initial earthwork. During that call, the developer made a request to install a single sanitary sewer run from MH to MH in order to facilitate the installation of a stormwater drain above the

sanitary sewer. Engineer Kirkham asked the Board how they would like her to proceed. She reminded the Board that Final Plans have not been approved (comments were issued January 30, 2020 and the Authority has not received a resubmission) and the letter of credit is not in place to guarantee construction. The Authority typically does not allow installation of any water and/or sanitary sewer facilities before plan approval. After discussion, the Board deferred the decision to Engineer Kirkham, Administrator Reber and Solicitor Dowd.

CARRIAGE HILL: The most recent plan resubmission, dated May 9, 2020, was approved on June 11, 2020.

HEATHERWOODS PHASE 3: The PVC manhole lining system submittal was approved on June 11, 2020.

SOLICITOR'S UPDATE: Solicitor Lucy Dowd requested her update be discussed in Executive Session.

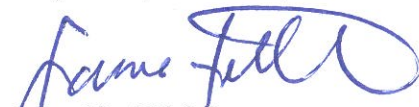
INVOICES (see attached): Bills listed on ECTA Invoices to be Paid were approved for payment on motion by Samuel Weaver, second by Edward Nevling, and carried unanimously.

EXECUTIVE SESSION: Chairman Becker called an Executive Session at 8:37 p.m. to discuss potential litigation issues. At 8:50 p.m. Chairman Becker adjourned the Executive Session and reconvened the public meeting. No action was taken during the Executive Session. The following motion was then made during the public meeting:

- J. Bradford Fichthorn made a motion to authorize Administrator Terry Reber, on behalf of the Board, to retain Salzmann Hughes, P.C. for issues related to Well M, second by Samuel Weaver, and carried unanimously.

Since there was no further business to come before the Board, David Lutz made a motion to adjourn the meeting at 8:53 p.m., second by J. Bradford Fichthorn, and carried unanimously.

Respectfully submitted,



J. Bradford Fichthorn
Assistant Secretary

jae