

EAST COCALICO TOWNSHIP AUTHORITY
MEETING MINUTES
FEBRUARY 8, 2018

The regular, monthly meeting of the East Cocalico Township Authority was held on Thursday, February 8, 2018, in the Township Municipal Building, 100 Hill Road, Denver, PA 17517.

Those in attendance were as follows:

Members: Daniel Becker, Samuel Weaver, Gerald DeBalko, Bradford Fichthorn, Edward Nevling, David Lutz, Raymond Wolf and Richard Shober (one vacancy)
Solicitor: Lucy Dowd, Lucy Dowd Law
Engineer: Rachel Kirkham, CDM Smith
Administrator: Terry Reber
Employees: Kenneth Spitler, Marc Wright, Jodie Eberly
Visitors: Jeff Mitchell, resident (arriving at 7:35 p.m.)

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

MINUTES: Minutes of the monthly meeting held on January 11, 2018, were approved as presented on motion by Gerald DeBalko, second by Samuel Weaver, and carried unanimously.

TREASURER'S REPORT (see attached): Administrator Terry Reber reviewed the January 2018 financial reports. The reports were approved as presented subject to audit.

MONTHLY CAPACITY REPORTS (see attached): The January 2018 Monthly Capacity Reports were approved as presented on motion by Richard Shober, second by David Lutz, 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:

KONG & LINDA YANG (252 HILL ROAD): A single-family home has been constructed at 252 Hill Road. The water and sanitary sewer lateral were constructed and connected to the Authority's system. They have been inspected and passed by the Authority. All administrative requirements have been satisfactorily completed and there are no outstanding invoices. Administrator Reber requested the Board's approval to begin the Yang's 18-month warranty period as of February 8, 2018 and to reduce their cash deposit submitted in lieu of a Letter of Credit from \$5,610.00 to \$765.00 (15% of the actual cost of construction). The \$765.00 along with administrative escrow in the amount of \$1,000.00 will be held until the end of the warranty period.

- Samuel Weaver made a motion to begin Kong and Linda Yang's 18-month warranty period as of February 8, 2018, for construction of a water and sanitary sewer lateral at 252 Hill Road, Denver, PA and to reduce the cash held by the Authority in lieu of a letter of credit from \$5,610.00 to \$765.00 (15% of the actual cost of construction) which will be held until the end of the warranty period, second by Edward Nevling, and carried unanimously.

BEILER PROPERTY (NORTH LINE ROAD): On January 18, 2018, the Authority received from Beiler Properties, LLC a signed Developer's Agreement and \$10,000.00 Administrative Escrow for a proposed residential housing development located along North Line Road in West Cocalico Township. At the time of submission, the owner of the property asked if the Authority would consider reducing the initial amount of the Administrative Escrow since the project is relatively small consisting of a row of five

building lots along North Line Road. The Authority's Administrative Procedures allow escrow to be adjusted based on size of the project or other special circumstances. After discussion, the Board made the following motions:

- Gerald DeBalko made a motion to reduce the initial Administrative Escrow requirement for the Beiler Properties, LLC residential housing development located along North Line Road in West Cocalico Township from \$5,000.00 each for water and sanitary sewer to \$2,500.00 each for water and sanitary sewer, second by Richard Shober, and carried unanimously.
- Bradford Fichthorn made a motion to accept and execute the Developer's Agreement submitted by Beiler Properties, LLC for water and sanitary sewer construction along North Line Road in West Cocalico Township, second by Samuel Weaver, and carried unanimously.

TAX PREPARATION, ACCOUNTING CONSULTATION AND REQUIRED FILINGS: Weinhold, Nickel & Co. recently sent an engagement letter to the Authority asking for authorization to prepare and file the 2018 quarterly payroll tax returns and annual W-2 forms and to provide, on an as needed basis, support service. It is the recommendation of the Administrator and the Authority's Accountant to instead engage the services of Integrity Certified Public Accountants, LLC located in Ephrata, PA. Kyle Smith, CPA, is the owner of Integrity CPA's. He was instrumental in setting up the Authority's QuickBooks accounting system and providing tax and accounting consultation to the Authority when he was employed by WNC. Mr. Smith estimates the yearly cost for quarterly payroll tax filings, along with W-2 preparation, to be \$875.00, which is slightly less than WNC charged last year. After discussion, the Board made the following motion:

- David Lutz made a motion to employ the services of Integrity Certified Public Accountants, LLC for tax preparation, accounting consultation, and required filings, second by Samuel Weaver, and carried unanimously.

WATER TANK #4 (313 Pfautz Hill Road): The mixer in Tank #4 has malfunctioned. Utility Service, the company that installed the mixer, was contacted and sent a work crew to troubleshoot the problem. They sent a service report to PAX Water Technologies, the equipment manufacturer, detailing the problem and results of the inspection. A PAX representative diagnosed the problem as a faulty VFD. Upon receipt of the new VFD, Utility Service will replace the faulty part. The tank will not have to be drained to make the repair.

BOND COUNSEL: The Authority's long time Bond Counsel, Paul Lundeen, retired from Rhoads & Sinon at the end of 2017. The remaining Rhoads & Sinon municipal finance attorneys joined the law firm of Eckert Seamans Cherin & Mellott, LLC on January 8, 2018. Mr. Lundeen suggested the Authority contact Benjamin A. Ried, Esq. for future financing needs. Mr. Ried assisted with past Authority transactions and is requesting permission to retain and access our files and to work with the Authority through Eckert Seamans on future financing projects.

- Samuel Weaver made a motion to engage the services of Benjamin A. Ried, Esq. of the law firm Eckert Seamans Cherin & Mellott, LLC as Bond Counsel for Authority financing and allow Mr. Ried to access and retain financial files previously held by the law firm of Rhoads & Sinon, second by Bradford Fichthorn, and carried unanimously.

SUPERINTENDENT'S UPDATE: A copy of the update is on file in the Authority Office. Superintendent Kenneth Spitler had nothing to add to his report.

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

STEVENS ROAD AND LINE ROAD WATER MAIN REPLACEMENT PROJECT: The 8-in water main within Stevens Road is nearly complete with final testing of the railroad carrier pipe outstanding. The railroad boring was completed during the week of January 22, 2018. Wexcon, Inc. submitted Change Order No. 1 which includes the credit for the railroad boring, the addition of restrained joints throughout the project, the sinkhole at the post office, and several other field modifications that were coordinated with ECTA staff. Vertex Mechanical requested an upsized 6" water lateral be installed to their property. The additional cost of the 6" lateral (beyond the contract work) and extended service line are the responsibility of Vertex Mechanical. CDM Smith recommends the Authority approve Change Order No. 1 in the amount of \$54,212.94.

- Gerald DeBalko made a motion to approve Change Order No. 1 submitted by Wexcon, Inc., for an increase of \$54,212.94, second by Richard Shober, and carried unanimously.

Payment Application No. 5 was submitted for work completed in January, which CDM Smith recommends the Authority approve for payment in the amount of \$153,810.93. This payment request is listed on the Invoices to be Paid listing.

CHAPTER 94 REPORT: CDM Smith prepared the Annual Chapter 94 Report for the sanitary sewer system which was submitted to Ephrata Borough Authority and will also be forwarded to Adamstown Borough.

UGI HEADQUARTERS: CDM Smith reviewed the revised highway occupancy permit plans and provided a response on January 24, 2018.

TRU DENVER – HILTON: CDM Smith issued an approval letter on January 24, 2018.

HEATHERWOODS PH 3, 4 & 5: CDM Smith attended a preconstruction meeting on January 30, 2018, during which it was reiterated that ECTA has not yet approved the plans and revisions are required for review and approval prior to the start of construction. The developer, Berks Homes, approached the Township about constructing a model single-family home and a model 4-home townhome block. In order to start construction, they would have to pull a building permit from the Township prior to having their final plan approval. The Township Manager assured the Authority that they would not issue an occupancy permit until the water and sewer plans are approved. On February 6, 2018, Berks Homes paid water and sewer tapping fees for the model single-family home.

TWIN PINE AUTO: CDM Smith reviewed the sanitary sewer plan that was submitted on December 12, 2017, in conjunction with the stormwater management plan that the Township engineer provided. CDM Smith provided a comment letter on January 19, 2018.

SOLICITOR'S UPDATE:

ECTA BY-LAWS: Solicitor Dowd proposed the following revisions to the ECTA By-Laws: Section 3 – Remove the language allowing the Board to take official action in between meetings which is a very old provision and violates the Sunshine Act and Section 9.C. – Adding that along with bond interest and principal payments, note and loan interest and principal payments may also be issued. Her proposed revisions were given to the Board members at least 5 days before the meeting as required by the By-Laws. Solicitor Dowd presented to the Board Resolution No. 2018-02-08 Approving Amendment of the By-Laws.

- Richard Shober made a motion to approve and execute Resolution No. 2018-02-08 amending the ECTA By-Laws, second by David Lutz, and carried unanimously.

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HEATHERWOODS PHASE 1A PERFORMANCE BOND: David Glass, the Developer for Heatherwoods Phase 1A, did not complete the requirements for Phase 1A which included a water main extension along Hill Road. David Glass is no longer in business but the performance bond for the project is still in place. Administrator Reber asked Solicitor Dowd to look into either collecting on the bond or having the bond company complete the work. The Township is also calling on their bond for work not completed. In order to coordinate efforts, Solicitor Dowd called Thomas Goodman, the Township Solicitor, to get his contact information for the bond company. Solicitor Goodman did not know who the contact person was but will relay the information once it is determined.

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

NEW BUSINESS:

PEPPERIDGE FARM: Chairman Becker informed the Board that Pepperidge Farm is looking into a cooling system at their facility as part of a proposed small building expansion. The estimated water usage of the cooling system was 185,000 gpd of water and generating nearly 95,000 gpd of sanitary sewer flows. Chairman Becker asked Administrator Reber to contact Pepperidge Farm to forewarn them of the amount of tapping fees and capital contribution fees they would be required to pay using that amount of water and sanitary sewer. After hearing the cost, Pepperidge Farm had their engineers look into reevaluating their plan and are confident the usage numbers will be well below what was originally proposed. Pepperidge Farm will submit revised usage and flow numbers to the Authority.

RECOGNITION OF VISITORS/PUBLIC COMMENT: Resident Jeff Mitchell came to the meeting at 7:35 p.m. Mr. Mitchell said he had no questions or comments.

Since there was no further business to come before the Board, Gerald DeBalko made a motion to adjourn the meeting at 7:46 p.m., second by Bradford Fichthorn, and carried unanimously.

Respectfully submitted,



Gerald A. DeBalko
Secretary

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