

TUNKHANNOCK BOROUGH MUNICIPAL AUTHORITY
MINUTES OF JANUARY 10, 2017

The Tunkhannock Borough Municipal Authority (TBMA) meeting of January 10, 2017, was called to order by Chairman Marshall Davis at 6:30 PM in the conference room of the TBMA Office Facility located at 201 West Tioga Street. Those present were: Chairman Marshall Davis, Secretary/Treasurer Stacy Huber, Authority Members Nancy Tinna, Eric Hueg, and Anson Carter; Ned Slocum, Authority Engineer; Roger Hadsall, Manager; and Luanne Snover, Office Manager.

The meeting began with the Pledge of Allegiance to the flag.

2017 Reorganization

APPOINTMENT OF AUTHORITY OFFICERS

The floor was opened for nomination of officers.

A motion was made by Nancy to nominate Marshall Davis for Chairman; Seconded by Eric, and all said aye.

A motion was made by Eric to nominate Stacy Huber for Secretary/Treasurer; Seconded by Anson, and all said aye.

TBMA MEETING SCHEDULE

A motion was made by Nancy to schedule the regular monthly meetings of the TBMA at 6:30 PM in the conference room at 201 West Tioga Street, Tunkhannock, PA on the second Tuesday of each month; Seconded by Anson, and all said aye.

APPOINTMENT OF AUTHORITY SOLICITOR

A motion was made by Nancy to retain Attorney Anthony Paul Litwin, III, Tunkhannock, PA, as Authority Solicitor; Seconded by Anson, and all said aye.

APPOINTMENT OF AUTHORITY AUDITOR

A letter of engagement from William Owens & Co, Carbondale, PA, had been presented to the Board at the October 2016 Authority meeting. A motion was made to retain William Owens & Co, as the TBMA Auditor for 2016 by Eric; Seconded by Nancy; and all said aye.

APPOINTMENT OF AUTHORITY ENGINEER

A motion to retain Milnes Engineering, Inc., Tunkhannock, PA, as TBMA's engineering firm was made by Nancy; and Seconded by Anson; and all said aye.

The results of the 2017 TBMA Reorganization will be advertised as per the Pennsylvania Sunshine Law.

BOARD MEMBER APPOINTMENT

Marshall informed the Board that Stacy Huber's 5-year term of office had expired on December 31, 2016, and that the Tunkhannock Borough Council had, at their January 2017 meeting, reappointed him for another five-year term.

Approval of the Minutes

With no one from the public present, the meeting began with the approval of the minutes from the December 13, 2016 meeting. A motion was made by Nancy to approve the December Minutes; Seconded by Eric, and all said aye.

Treasurer's Report

A motion was made by Nancy to approve the bills, as presented; Seconded by Anson, and all said aye. A discussion followed on the Chamberchoice and Nationwide Insurance coverages. Pay Request #14 for the Hilltop-Maple Lane Sewer Extension Project (HTMLSEP) in the amount of \$1,445.12 was presented. A motion was made by Eric to approve Pay Request #14 (Diversified Technology Corp: \$450.00; Wyoming Weekly Group: \$97.32; William Owens & Co: \$630.00; The Times Leader: \$11.00; and USPS \$256.80); Seconded by Anson, and all said aye. The request will be submitted to Rural Utility Service (RUS) for approval and payment.

Luanne reported that Accounts Receivable stand at \$168,894.06, which reflects the January 1st billing of \$190,955 and less payments to date. The Adjustment Report lists postings and two accounts that had presented Non-Sufficient Fund payments. The Budgets were presented and reviewed. Roger advised that the final combined December Budgets show receipts for the year at 100.1% of the projected total. An engagement letter from Zavada & Associates, Forty Fort, PA, was presented. This firm was recommended by our current auditor, William Owens & Company to perform the special audit required this year for the HTMLSEP due to the disbursement of more than \$500,000 in federal funds. A discussion followed. A motion was made by Nancy to approve Zavada & Associates for the special audit at a rate of \$4,000-\$6,000; Seconded by Anson, and all said aye. Marshall signed the agreement; and a copy will be sent to the auditors.

Luanne advised that the United States Department of Agriculture (USDA) has presented forms to have the loan payments paid directly out of our Sewer Extension Savings Account. A new savings account was set up by Stacy and Roger at the end of December 2016 to accept customer

payments associated with the HTMLSEP. The first form is marked with a start date of 6/19/17, which is the semi-annual interest due payment, in the amount of \$10,624.69. Interest only payment(s) are due the first year of the loan (2017). The second form is marked with a start date of 6/19/18, which is the semi-annual loan payment (principal and interest) due semi-annually for years 2 thru 40 in the amount of \$20,559.00. A motion was made by Nancy to authorize Marshall to sign the agreements for preauthorized payments on the HTMLSEP to the USDA; Seconded by Eric, and all said aye.

Manager's Report

HTMLSEP

- a. Roger stated that the Board should establish the debt service fee per Equivalent Dwelling Unit (EDU). A chart was provided showing different rates per EDU in relation to the annual debt service revenue generated at that rate. A discussion followed. A motion was made by Stacy to base the debt service at \$34.00 per EDU, using the 107 EDUs originally established in the Act 537 Plan; Seconded by Nancy, and all said aye.
- b. Funds have been transferred to the Authority from the USDA. The interim financing has been paid off.
- c. The Engineer provided the initial "as built" drawings prior to tonight's meeting; and they will be reviewed by the manager.
- d. Roger stated he had received a complaint from property owner Rich Lawson regarding pavement settlement at the Towne and Country Restaurant. Roger reported he and Ned had met with Rich on-site. The contractor was notified. USDA has scheduled the Warranty Inspection for November 1, 2017. Marshall told Roger to put the inspection date on his calendar so that the contractor can be reminded of the need to complete this item.
- e. There is approximately \$80,000 remaining in the account after the purchase of a tractor and sewer jet. Quotes have been received for equipment that will be used to maintain this project. A discussion followed concerning the additional purchase of dissolved oxygen (DO) monitoring equipment for installation at the WWTP and water meters with radio-read for the project area. RUS requires that the Engineer approve the equipment, as specific to the project. The Board approved the concept of the DO/controls and meters. Actual figures for these items will be obtained.
- f. The Library is now connected to the collection system. Roger stated that Corby & Sons, Inc., had completed the work and that he had inspected the installation.
- g. The advertisement informing the customers that the system is available and that they are required to connect has appeared in the Examiner. Customers were notified by hand-delivered and certified mail, as appropriate.
- h. A listing of customers who have paid project fees was presented.
- i. A letter from the owner of 304 West Tioga Street (Northeastern Eye Institute[NEI]/Dr. Gerard Hildebrand) was presented. He requested that the EDU assessment of his

professional eye care facility (PECF) be reevaluated. A lengthy discussion followed using the recently adopted EDU Assessment Resolution as a guideline. The Board authorized Roger to change the assessment to one (1) EDU for NEI, as there was no clearly defined classification for a PECF and the preliminary assessment as a physician's office was inaccurate. The property will be classified as #16: Professional- Minimum =1 EDU as per the EDU Assessment Resolution. Dr. Hildebrand will be notified of the Board's decision.

Virginia Drive Sewer Extension

Roger reported that he, Ned, and Rich Lawson viewed Mr. Lawson's property on Virginia Drive and the adjacent Quick Lube property. Mr. Lawson wants to relocate the sewer lateral serving the Quick Lube and extend a lateral further up Virginia Drive to serve his vacant property. Roger further stated that Mr. Lawson does not wish to turn the line over to the Authority after its completion. Roger suggested that two laterals could be run in a common ditch to address this issue. A discussion followed. The Board directed Roger to advise Mr. Lawson that they would not authorize one connection to serve more than one property. That type of action allowing multiple hook-ups to one line has previously caused problems and would not be approved. The Board would allow connection, with two lines in one ditch, if Mr. Lawson extended the main and turned said main over to the Authority.

Sewer Backups

Roger stated that he had received a call from Solicitor Litwin regarding a sewer back-up at 27 East Tioga Street. The Solicitor had received a call from the property owners' attorney regarding the matter. He did not know when the backup occurred; and the Authority had not been notified. The owner's insurance covered the cleanup costs, which were reported to be over \$50,000. Roger asked authorization to perform a video inspection of the sewer lateral from inside the property's basement. A discussion followed. The Board directed Roger to inform the owners that if they wished they could do their own camera inspection of the line but the Authority would not. If the results of said inspection provided information to the Authority of its liability, said claim would be processed following normal procedures.

On January 3rd, a report was received of a sewer back-up in floor drains at 166 West Tioga Street. The TBMA staff was dispatched to locate and clear the blockage, which was determined to be in the main between the junction manhole west of the High School and the manhole near the northwestern corner of the former CVS store in Towne Plaza. When cleared, a significant amount of solidified and liquified grease was observed. Plaza Beverage reported that they had incurred damage that day, due to the blockage. They were instructed to provide a bill to the Authority. If a bill is provided, it will be directed to our insurance carrier. The Board discussed the situation and asked where the grease had originated. Roger stated he could not say which business had caused the blockage, as several customers on that line may have contributed. The Board directed Roger to enforce the grease trap inspection policy to all establishments.

38 ½ West Harrison Street

The property owner at 38 ½ West Harrison Street is experiencing problems with his sewer. This lateral serves both 38 and 38 ½ West Harrison Street. The lateral was repaired several years ago, at the tee which is located on the 38 West Harrison Street property. The Board had previously agreed to provide a separate lateral to serve 38 ½; but the property owner chose instead to repair the existing lateral, due to cost. The property is a panhandle lot; and the proposed lateral would be in the handle/driveway. A photo showing the property was provided. The Board approved the installation of a sewer stub to the property at 38 ½ West Harrison Street.

Sewer Credit

The property owner of 71 Elm Street left the garden hose running and had requested a sewer credit. A lengthy discussion followed on circumstances upon which a sewer credit is issued. A motion was made by Stacy to approve the Sewer credit for 71 Elm Street, in the amount of \$91.08; Seconded by Eric, Opposed by Nancy and Anson. Marshall broke the tie, voting Nay. The property owner will be informed of the Board's decision.

2017 Budgets

Roger presented the draft 2017 Sewer and Water Budgets, along with a list of proposed small projects. A discussion followed, after which Roger was directed to prioritize the small projects and present costs for each. It was noted that lab testing costs increased from \$1,200 last year to a projected cost of \$12,000 for 2017. This drastic increase is due to Department of Environmental Protection (DEP) regulations. A motion was made by Anson to adopt the 2017 Budgets as presented; Seconded by Nancy, and all said aye.

Salary Increase

To be discussed later this evening.

FYI

Bluestar Daycare Water Service

The line has been installed and water is being provided to the Bluestar Daycare Facility. The water line stream crossing permit has not yet been issued by DEP. Mr. Mellas has provided funds to cover the costs of the stream crossing. Neither the Authority's bank nor Attorney Litwin can be agent to an escrow account for Bluestar. A discussion followed. Roger was directed to establish the escrow account with Peoples State Bank (PSB), as they were reported as willing to do so; and Attorney Litwin has said that Mr. Mellas's relationship with PSB would not be a problem. Stacy recommended that PSB be used for the escrow agreement.

Engineer's Report

Ned stated he had been contacted by RUS to provide a certificate of completion. He reminded them that this had already been done. No further response was received. The Authority also has to provide a letter of acceptance, which Ned stated he had revised from the standard provided by RUS. A motion was made by Anson to authorize Marshall to sign the letter of acceptance; Seconded by Nancy, and all said aye. Ned stated that RUS has scheduled the warranty inspection for the project on November 1, 2017 and that he has this noted on his calendar along with a reminder for any necessary contractor property restorations. Ned left the meeting at 9:15 PM.

Executive Session

A motion was made at 9:15 PM by Eric to go to executive session to discuss personnel issues; Seconded by Anson, and all said aye. Roger and Luanne left the room at 9:15 PM.

A motion to reconvene to regular session was made by Eric at 9:30 PM; Seconded by Stacy, and all said aye. Roger and Luanne returned to meeting at 9:30 PM.

A motion was made by Eric to approve, for 2017, a raise of 3%, as previously agreed, for the Manager, Office Manager, Assistant to the Manager and Water/Wastewater Operator along with the following bonuses/increase as follows: a) Manager and Office Manager: \$2,000; b) Assistant to Manager and Water/Wastewater Operator: \$1,250; and c) the System Tech will increase by \$1.00 per hour; Seconded by Stacy, and all said aye.

New Business

No new business.

Old Business

No old business.

Adjourn

Nancy made a motion to adjourn the meeting at 9:32 PM; Seconded by Stacy, and all said aye.

Prepared by, Stacy Huber, Secretary/Treasurer

Submitted by, Luanne Snover, Office Manager