

NORTH HUNTINGDON TOWNSHIP MUNICIPAL AUTHORITY  
 WORK SESSION, APRIL 12, 2017, 5:30 P.M.  
 YOUGHIOGHENY WATER POLLUTION CONTROL PLANT  
 4222 TURNER VALLEY ROAD, NORTH HUNTINGDON, PA 15642

**Roll Call:**

Jeffrey Fisher	- Absent	Michael Branthoover, General Manager	- Present
Thomas Hempel	- Present	Christy J. Raspotnik, Finance Director	- Present
Timothy Hondal	- Present	Christopher Sanner, System Superintendent	- Present
William H. Miller	- Present	Michael Henao, Asst. System Superintendent	- Present
Charles Denning	- Present	Daniel J. Hewitt, Solicitor	- Present
		David A. Coldren, KLH Engineers	- Present

**Citizen's Input**

There were no citizens present.

**Basis of Design Presentation**

Kevin Hoffman, from KLH Engineers, discussed the current wastewater treatment processes at our Youghiogheny Treatment Facility. He discussed in great detail its limitations with possible future regulations and treatment limits that may be imposed by the PA DEP. Two different options were outlined both utilizing Sequencing Batch Reactor (SBR) treatment methods.

**Manager's Report**

Summer help will not be requested again this year.

A plant employee will be retiring soon, his last day of work will be May 5, 2017. Approval will be requested at the next meeting to hire a laborer to replace him. He is our working foreman so that position will have to be filled to replace him with someone in-house, which is a bargain unit position.

After speaking with representatives with Dollar Energy Fund in Pittsburgh, we were able to secure assistance for eligible customers in the ALCOSAN drainage basin area. A grant for \$30 per quarter and up to \$120 per year is available for those that qualify under ALCOSAN's Clean Water Assistance Fund. Mr. Branthoover will be meeting with Ms. Lindsey Mulvihill, one of Dollar Energy Funds representatives to see if there is a viable option for the remainder of our 12,300 customers in our system.

Signature cards need to be signed for S&T Bank and M&T Bank this evening.

Penn's Woods Phase 4 and Markvue Manor Phase 1 bids came in approximately \$250,000 under budget. Out of the 58 easements required for these projects, 52 have been successfully acquired.

HDH, our insurance broker, is acquiring proposals for our Property & Liability Insurance. The current carrier is Municipal Risk Management, a dividend check was received today of nearly \$20,000.

Ipnar Road feasibility, Mike met with Allen Fossi, Sewickley Township Supervisor, and spoke with Brian Merdian, Chairman from Sewickley Township regarding the Ipnar Road feasibility study and the possibility of extending sewers to SWTMA's line. Right now they are at 40% capacity, their monthly rate is \$58.95 per month which is \$7.50 more than NHTMA and their tap fee is \$3,800 per EDU.

Christy will be presenting the FY2018 draft Operating Budget and 5 Year Capital Improvements Plan this evening. We are proposing a zero dollar increase in customer rates and we have now successfully gone 4 years without a rate increase.

The paperwork for the PMAA Region 9 and 10 Dinner, scheduled for next month, was distributed.

Mr. Denning and Mr. Fisher discussed doing a facilities tour. The dates proposed were May 12 and May 19. All Board Members and spouses were welcome to attend.

### **Solicitor's Report**

Attorney Hewitt contacted HomeServe and asked what happens if we don't take the 10% commissions. There is \$1.00 per month difference if we don't take the commission. The water line per month coverage is \$5.99, sewer line is \$10.49 and inside plumbing availability at \$14.99.

The WWMA Status Conference is coming up in May in front of Judge Marsilli.

The Stein and Sensenich lines are not complete yet but may be done next week.

Attorney Hewitt discussed the need for changing the alignment in the Penns Woods 4 project due to a dispute over an easement.

### **Engineer's Report**

Back in 2015 it was discussed and decided upon to have an on-call electrician. It was put out to bid and awarded to Jonathan Turik who gave us three unit prices: \$60/hour for highly skilled, \$50/hour for skilled and \$40/hour for apprentice level services. The contract was awarded May 1, 2015 through April 30, 2017. The contract allows for the Authority to extend into an option year three and an option year four. It will be recommended to extend the contract for option year three which would run through April 30, 2018 at an increase of \$10/hour for each service level.

The Township is willing to waive their permit fees for Penn's Woods Phase 4 and Markvue Manor Phase 1 Projects, which also includes their inspection of the trench rehab. In lieu of our contractor doing final road restoration, NHTMA would make a payment to the Township in the amount of \$18,900 for Penn's Woods 4 and \$54,400 for Markvue Manor 1. Per the agreement, the Township would do the final restoration within the next two years.

There were 12 bidders on Penn's Woods Phase 4. Brentzel Excavation was the low bidder at \$284,000. They had a couple minor math errors on their bid form. Plavchack was the high bidder at \$773,000. The references were checked for Brentzel and everyone was happy with their work.

Kukurin Contracting was the lower bidder for Markvue Manor Phase 1 at \$467,467. Plavchack was the high bidder at over double the cost.

The proposal to add a laboratory, lunch room and locker room to the existing Yough garage/office building for the design, bid, construction phase services and preparing record drawings, the estimated total cost is \$207,500. The only thing it doesn't include is inspection services during the project which can be determined. The goal is to get this started this year. These costs are addressed in the Five Year Capital Improvements Plan.

The Authority was not awarded the PA Small Water and Sewer Program Grant from Commonwealth Financing Authority. There is a second round of applications starting August 1 through October 31. We'll have to see the guidelines and decide if we'll resubmit.

### **System Superintendent's Report**

The SCADA upgrade project has been completed. We are now set up to monitor all our lift station alarms and plant alarms through a central computer at the plant. That central computer is what calls out to Chris, Mike or Michael for any types of alarms that an employee may need to be called out for. Michael and Chris also have access to be able to log into that computer to make changes to pumps or processes that they may not need to call an employee out. It took the monitoring costs from about \$9,400 a year down to about \$5,500 a year.

**Assistant System Superintendent's Report**

The Safety Committee is progressing nicely, they have started handing out personal protection equipment.

**Budget**

I have updated the actuals to date this does not include miscellaneous revenue, expenses for the balance of April, payroll entries and also general journal entries. Because of the hold up over the purchase of the interceptor & pump station we have not budgeted revenues or expenditures. We anticipate that the revenue generated from the line take over will cover the expenses associated with treatment charges to be paid to ALCOSAN, the upkeep of the pump station and also line maintenance.

Also looking down the road, we are going to need plant improvements due to DEP regulations. We need to take this into consideration regarding the Capital Improvements portion of our sewer charges. This line item will fund our upcoming laboratory, locker room and break area addition and also the designing of the waste water treatment plant facilities at the Yough plant

**Revenues:**

Customer growth is up .59% over the past fiscal year that is slightly up from last year. Sewer Rentals and other total revenues to date are right on budget. The tap fee will increase from \$3,950 to \$4,150 as of July 1, 2017. Interest income is slightly higher due to better rates on our investments. There's an increase on the lateral inspection revenue due to us checking the recorder of deeds for refinances and sales of homeowners who failed to get the required testing done. Certified notice charges are up due to aggressive collection process. Lien & services charges are up since we now pass those fees onto the customer. Capitalized Wages have increased based on the past 5 year's revenue.

**Administrative Expenses:**

Personnel expenses will increase slightly due to wage increase on January 1, 2018 and a small increase in the pension. Life & disability insurance will increase due to wage increase and a projected 3% increase in premiums. Pension Actuals will come up due to journal entries and accruals.

**Board of Director Expenses:**

No changes.

**System Expenses:**

There's an increase in the dues subscriptions and permitting. We now have included the permits in this category. NPDES Permit and lab accreditation permits alone amount to over \$2500. We have reduced fuels costs due to past spending. Treatment charges are low due to Journal Entries and accruals. Also, there was an increase in the ALCOSAN rates as of 1/1/17. It went from \$36.99 to \$38.40. We have approximately 285 EDU's in that area.

Pump Stations are place holder amounts. These amounts usually do not change much year to year. We have increase each one slightly to allot for the SCADA system which uses telephone transmission.

**Financial Expenses:**

No significant changes. Interest costs decrease yearly as principal amounts increase.

The Revenue Fund Balance is \$381,547 with all bills paid to date. Bottom line we are proposing a balanced budget with a zero requested increase for the 4<sup>th</sup> year in a row. Last year's increase was solely due to the WWMA rate increases. This says a lot about our teams' fiscal responsibility.

Rate increases could be on the horizon depending on WWMA's Phases 2 & 3 Consent Order & Agreement Projects, this could be \$5 to \$10 increase per Brush Creek EDU which equates to \$2.50 to \$5.00 increase per EDU for all of NHTMA.

If you all are comfortable with the budget we could take action on it tonight.

**Five Year Capital Improvements Plan**

Mr. Coldren presented the Five Year Plan. On table one there are two big ticket items. One is the office garage addition which is spread out over two years; 2018 and 2019 Fiscal Years. The other is the facilities expansion Basis of Design. That starts in Fiscal Year 2020.

Table two contains projects in the system including pump stations and line replacement projects. Falcon Ridge Pump Station is a big ticket item that will need upsized due to the building of Tuscan Hills.


Table three is the money sheet. It take the Authority's budget, expenses, and revenues and incorporates the five year plan expenditures. At the end of five years, with all of the projects accounted for, the Authority would have a balance of just over half a million. In 2021 and 2022 the current debt service goes away which frees up about \$1.5 million annually. That could flow nicely into a future plant project. This is all based on a \$0 increase.

**Executive Session**

At 6:48 pm the Board went into executive session and at 7:05 pm they came out of executive session.

**Adjournment**

The Work Session adjourned at 7:05 PM.

  
William H. Miller, Secretary