

BENNER TOWNSHIP WATER AUTHORITY

REGULAR MEETING

February 15, 2011

ATTENDANCE:

AUTHORITY MEMBERS PRESENT: Mark Capriani
Steve Lanich
Gary Shultz (via telephone)

OTHER ATTENDEES: Warren Miller – SBWJA
Kelly Gill – SBWJA

CONSULTING ENGINEER: Charles Stover, E.I.T., Adrienne Vicari, P.E.

CALL TO ORDER:

The February 15, 2011, Regular Meeting of the Benner Township Water Authority was called to order at 6:35 P.M. by Steve Lanich, Treasurer.

Mr. Lanich indicated that Mr. Shultz was available by telephone for the Authority to conduct official business as documented within the Authority's Bylaws. The agenda will be revised to allow for discussion and Mr. Shultz will be contacted once a vote is needed for all items.

SBWJA REPORT:

Grove Park Water System – Shortly after the last meeting, Oscar DeArmit videotaped the well and determined everything to be acceptable; therefore, the one inch (1”) air tube was installed. Grove Park Associates has been invoiced for the installation and has paid their portion of the bill.

Mr. Miller informed the Board that on January 31, 2011 we started performing the daily tasks associated with the Grove Park Water System. The paperwork for the transfer of the Public Water Supply Permit has been sent to PA DEP and we recently received notification that the transfer is administratively complete. Mr. Miller met with PA DEP representatives the morning of February 15, 2011 to complete the pre-transfer inspection and DEP has approved the transfer. DEP initially waived a lot of testing requirements due to a small amount of homes being connected to the system; however, we will now be required to complete a variety of tests within the first three years after acquisition, resulting in a larger analytical testing expense account.

The existing property owners within Grove Park have been provided with written notice requiring the installation of a water meter by March 15, 2011. Mr. Miller reported

several property owners have contacted the Authority to obtain a better understanding of our meter setting requirements and a few have the meters installed already.

Dick Campbell contacted Mrs. Gill in reference to the Deed transfer and recommended the Authority make the following motion to avoid paying a 2% transfer tax: **The Benner Township Water Authority will acquire the Grove Park Well, Lot 1, Centre County Assessment #12-002-115 Deed by eminent domain, if necessary.** Mr. Campbell will record the deed once this action occurs.

Sprinkler System Update – Mr. Miller informed the Board that he recently contacted State College Borough Water Authority (SCBWA) to inquire about their plans with the new Sprinkler System requirements. SCBWA will be requiring the installation of a one inch (1”) service line from the curb box to the home, with a ¾” meter. The homeowner will then be required to sign an affidavit stating that if they fail to pay their water bill, water service will be terminated and SCBWA is held harmless. The sprinkler system installer must sign an affidavit verifying the 1” service line provides enough pressure and flow to operate the system properly. Mr. Miller indicated that currently a 5/8” x ¾” meter is used by our Authority. The Board recommended Mr. Miller draft regulations for the next board meeting that can be incorporated within the Rules and Regulations and Developer’s agreement.

Professional Services 2011:

Auditor – Mr. Miller informed the Board that an auditor will need appointed during this meeting so the 2010 audit can be completed. A few accounting firms were contacted and most single audits start at \$4,000. Parente Beard has reaffirmed that their fees should be in the same range as prior years at \$2,500 - \$2,800. Mr. Miller stated this fee is slightly lower due to the fact that Parente Beard can complete the BTWA audit at the same time as the SBWJA audit.

Solicitor – Dick Campbell forwarded an email stating he is still interested in continuing as the Authority’s solicitor and his hourly rate of \$150.00 will remain on an as needed basis.

SOLICITOR’S REPORT: Mr. Campbell was absent from the meeting.

ENGINEER’S REPORT: See the attached **Engineer’s Report** as made a part of these official Minutes.

Act 57 Study – Adrienne Vicari presented the Board with the finalized Act 57 Study. The Act 57 Study outlines the maximum charges allowable by the BTWA for the connections to Grove Park which is \$1,054.71. The Authority will collect \$1,000 per connection to be reimbursed to Grove Park Associates (GPA), and \$50.00 per connection for administrative costs, as identified within the Agreement of Sale. The Act 57 study also determined that the Authority can collect a Special Purpose Tapping Fee of \$4.71 per connection to recoup the \$2,000 initial payment to GPA for the purchase of the water

system. The Authority will still collect the Connection and Customer Facilities Fees for the inspection fees, meter fees and time/labor at actual cost.

The study also identified a Reservation of Capacity Fee of \$172.80 per year per residential dwelling for those entities who wish to reserve capacity for a future connection. Ms. Vicari indicated this fee can also be used for those homeowners who will be vacating their property for an extended period of time and do not wish to make the full quarterly water payments or repay the tapping fee.

Ms. Vicari recommended the fees within the Act 57 study be incorporated into a Tapping Fee Resolution for adoption by the Authority. The study can also be reevaluated in the future if the Authority makes any additional capital investments.

Continuation of Services – Ms. Vicari thanked the Board for allowing HRG to work as the Authority's retained Engineer for so many years and stated HRG would value the opportunity to submit a proposal if the Authority chooses to move forward with RFPs for engineering services. Compared to other engineering firms, HRG likely won't be the cheapest; however, Ms. Vicari feels that the quality of work HRG provides stands above the competitors.

Ms. Vicari stated that she recently had a chance to talk with Tom Eby and Andy Swales over the past few weeks and understands the Authority is considering a unit price contract in lieu of a lump sum contract. If the Authority were to compare HRG's hourly rates to other engineering firms, HRG will not likely be the cheapest; therefore, Ms. Vicari indicated HRG typically works with lump sum contracts. Ms. Vicari indicated that in 2010, the Authority paid HRG \$2,000 for the retainer fee and upon reviewing their records HRG would have billed \$4,200 to the Authority under a unit price contract.

Ms. Vicari then inquired with the Board about the concerns they may have with HRG's services and the reasoning for placing a RFP. Mr. Lanich and Mr. Capriani both indicated they were concerned with the high rate of turnover within the last couple of years. Ms. Vicari explained the details of the changes within HRG and indicated HRG remains financially strong and willing to serve the Authority.

GUESTS: There were no Guests present.

Official Business – Mr. Lanich suggested Mr. Shultz be telephoned to proceed with those items requiring a quorum to continue with official business. Mr. Lanich informed Mr. Shultz of the Board members and others in attendance for the meeting and stated the Authority could now proceed with official business.

APPROVAL OF MEETING MINUTES:

The Minutes of the January 18, 2011 regular meeting were presented for review prior to this meeting via email. **Mr. Lanich moved, seconded by Mr. Shultz to approve the Minutes of the January 18, 2011 Regular Meeting as presented.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

TREASURER'S REPORT:

Mr. Lanich reviewed the Treasurer's Report as presented prior to the meeting. The total balance as of January 31, 2011 for both bank accounts is \$166,696.96. Mr. Lanich asked the Board if there were any questions regarding the Paid Checks or Bills by Vendor submitted for approval. **Mr. Shultz moved, seconded by Mr. Capriani to approve the Treasurer's Report as presented, the Paid Checks in the amount of \$1,454.75 and Bills by Vendor in the amount of \$2,865.14.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

APPOINTMENT OF PROFESSIONAL SERVICES:

Mr. Capriani moved, seconded by Mr. Shultz to retain the following Professional Services for 2011:

Campbell, Miller, Williams (Richard Campbell), Solicitor
Parente Beard, Accountant

3 ayes, 0 nays, 2 absent. **The motion carried.**

GROVE PARK WATER SYSTEM – As previously discussed during the meeting, Dick Campbell recommended the Authority approve a resolution relating to the condemnation of property for Lot 1 of Grove Park to avoid paying a 2% transfer tax. **Mr. Lanich moved, seconded by Mr. Shultz for the Benner Township Water Authority to acquire the Grove Park Well, Lot 1, Centre County Assessment #12-002-115 Deed by eminent domain, if necessary.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

CORRESPONDENCE: There was no Correspondence presented for discussion.

OLD BUSINESS: There was no Old Business presented for discussion.

NEW BUSINESS:

Revised 2011 Budget – Mr. Miller informed the Board that he and Mrs. Gill incorporated the income/expenses associated with the acquisition of the Grove Park Water System into the 2011 Budget, which was presented for review. **Mr. Shultz moved, seconded by Mr. Lanich to approve the Revised 2011 budget as presented.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

ACTION ITEMS:

-Warren Miller to draft regulations for the sprinkler system updates for presentation at the next meeting.


-Mr. Lanich will attend the SCBWA meeting on February 17, 2011.

Next regular scheduled meeting is March 15th at 6:30 p.m.

ADJOURNMENT:

Mr. Capriani moved, seconded by Mr. Lanich to adjourn the meeting at 7:46 p.m. 3 ayes, 0 nays, 2 absent. The motion carried.

Respectfully submitted,



Kelly J. Gill, Recording Secretary

CC: Benner Township 04/20/2011

February 15, 2011

Benner Township Water Authority
 1224 Buffalo Run Road
 Bellefonte, PA 16823

Re: Status Report - Engineering Activities

Dear Authority Members:

The following summarizes our recent activities on behalf of the Benner Township Water Authority.

Act 57 Tapping Fee Report (1494.007)

As you know, the January 17, 2011 Agreement between Grove Park Associates and Benner Township Water Authority provides for a \$2,000 initial payment to the developer in addition to a payment of \$1,000 per lot for the first 37 connections to the system. HRG has completed the Act 57 study which outlines the following charges allowable for connections to Grove Park.

	<u>Schedule Reference</u>	<u>Maximum Amount of Charge per EDU</u>
1 Connection Fee	A	Actual Cost
2 Customer Facilities Fee	B	Actual Cost
3 Tapping Fee		
a) Capacity Part	C	\$0.00
b) Distribution Part	D	\$0.00
c) Special Purpose Part *	E	\$4.71
d) Reimbursement Part *	F	\$1,050.00
Total Residential Tapping Fee		\$1,054.71

The \$1,054.71 fee is the maximum fee which may be charged. The Authority may decide to charge a lesser fee if deemed appropriate. These fees should be incorporated, by your solicitor, into a Tapping Fee Resolution for adoption by the Authority.

As previously discussed, the purpose of the Act is to allow for these municipal entities to recover invested equity. The Authority was fortunate enough to be given the Hampton Hills and Opequon Hill water systems at no cost and has not needed to invest significant capital to date. For this reason, only Connection Fees and Customer Facilities Fees apply to the Hampton Hills and Opequon Hill systems.

The Act allows for the imposition of a Reservation of Capacity Fee. This fee can be used by entities who wish to either reserve capacity for a future connection, or who will be vacating their property for an extended period

Benner Township Water Authority
February 15, 2011

2011-13

of time and do not wish to make the full quarterly water payments nor repay the tapping fee. We have determined that the maximum Reservation of Capacity Fee allowed by the Act is:

	<u>Schedule Reference</u>	<u>Maximum Reservation of Capacity Fee</u>
1 Residential Connection	G	172.80 per year per residential dwelling unit
2 Non-Residential Connection	G	\$1.10 per year per daily gallon of reserved capacity

In the future, as additional capital investments are made, it is recommended for the Authority to reevaluate allowable charges to determine if additional Tapping Fees can be applied.

We look forward to discussing this and any other issues at tonight's meeting.

Very truly yours,

Herbert, Rowland & Grubic, Inc.

Charles W. Stover II

Charles W. Stover II, E.I.T.
Water and Energy

CWS/dlp
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