

Red Lion Municipal Authority
Meeting Minutes
Wednesday, September 25th, 2019

Members

Eric Immel, Chairman
Skip Missimer, Vice-Chairman
Jeff Herrman, Treasurer
Mike Poff, Secretary
Dennis Klinedinst, Asst. Sec/Treasurer

Others

Keith Kahwajy, Superintendent
Jeff Beard, Asst. Superintendent
Andy Miller, Solicitor
Jason Reichard, Engineer

Visitors

Bob Frutiger
Tina Frutiger
Nick Shearer
Stephanie Weaver

1. The meeting was called to order @ 7:00p.m. Everyone participated in the pledge to the flag.
2. **WATER USAGE REPORT**—2” of rainfall was received since last meeting. A 6” main break on Kendale Rd. was repaired on September 20th.
3. **CONNECTIONS REPORT**—5 new connections (all within developments)
4. **VISITORS**—Nick Shearer, the Authority’s auditor from Hamilton & Musser was present to give an overview of the 2018 RLMA Audit & Financial Statements, including Hamilton & Musser’s unmodified (clean) opinion (highest opinion a local government or Authority can receive). Some highlights of his report included:
 - A review of the Balance Sheets which included the Sewer Fund & Water Fund. RLMA’s assets, as of 12/31/2018, totaled \$16.65million, including their Pension amount.
 - Current liabilities (those due within one year) total approx. \$1.1million; total assets are approx. \$1.5million. Nick said this gives the Municipal Authority a healthy position of assets over liabilities.
 - In reviewing the income statements, Nick stated Sewer & Water had a total revenue of \$4.8million & total operating expenses were \$3.3million. Here again, this is a very good operating position.
 - Non-operating income, such as interest income, interest expense & bond issuing costs are still in a good financial position.
 - Total operating cash flow is at a very healthy \$1.6million.
 - Financing related items such as payments of debt, interest payments and/or proceeds of debt included the Authority’s refinancing of 2018 which allowed more payments on their bonds. Cash being paid for such items was \$1.5million.
 - Investment activity (purchases of investments)—with the bond refinancing & going from M & T accounts to PLGIT accounts, allows significant purchases of investments at \$1.8million.
 - Net cash decreased during 2018; however, the investments outweigh that by approx. \$300,000.
 - Fiduciary activities/pension plans—shows inflows & outflows of the plans, along with payments to the plan, administrative costs, etc.
 - More details of the Balance Sheet & Income Statements are included in the report & Nick urged Authority members to review that.
 - As this is Hamilton & Musser’s first year with Red Lion Borough & Red Lion Municipal Authority, there is always a review of prior year’s audits. A couple issues that had been recorded incorrectly in prior years involved the timing of receivables (customer payments)

Also, the capital assets & debt were found to be recorded incorrectly in 2014, during the construction of the new Water Treatment Plant. This was corrected & Nick stated the capital assets & debt are very much inline & healthy.

- When the Municipal Authority separated their pension plan from the Borough in 2017, they were required to comply with GASB-68 (pension liability or asset is required to be recorded on the books). This was not done, but this has now been corrected.
- With the above corrections, Nick predicts, going forward, future audits should run smoothly, and he appreciated the help & work of the Municipal staff.
- An Audit letter (as a follow-up) will be forthcoming within a few weeks. Other comments will be included in that.
- Mr. Missimer asked if there are any new accounting procedures, rules or standards that the Municipal Authority may need to be concerned about. Nick stated some governmental standards don't have much effect on RLMA's financial statements; however, GASB-87 deals with leases. If RLMA has any leases on office equipment, etc., that will now have to be capitalized on the books & the liability will be recorded also (to offset).
- The Board appreciates the thorough report & is pleased with the outcome of obtaining perspective from a new auditing firm.

5. **WATER AND SEWER—OLD BUSINESS**

- **Solicitor's Report**—Andy reported the following:
 - A Subdivision Plan for Kaltreider-Benfer Library/Fairmount property is being circulated. As part of the process of this, the Cross-Easement Agreement of the property needs to be finalized as the Borough, the Authority and the library are going to be sharing accesses, parking, etc. A draft Land Development Plan was emailed to Andy today, but he hasn't had time to review it. More on this later.
On a prior survey, property lines of the Contino property and the old Junior High had been shifted slightly. Jason reported additional surveying has been completed by Gordon Brown's office and this issue has been addressed & corrected. The new survey map was reviewed.
Mr. Missimer asked if Jason had visited the park properties (parking lot, etc) that the Borough claims need repair. At the August RLMA meeting, a quote of approx. \$22,086 was presented, as prepared by Brett Patterson. Once Jason was onsite at the park to look at the areas in question, he only saw a street cut area between the water tower & cell tower that had settled. He then contacted Brett Patterson, who told him the areas in question to be improved were, (pretty much), all parking & access drives owned by the Borough. Jason was involved with the design of this project in 2000 through a grant obtained by the Borough. He believed there was a verbal agreement between the Borough and RLMA, where the Authority allowed the Borough to construct their improvements on that property. Jason said, from an Authority standpoint, the only area he saw that may need improved was the settled street cut trench.
With the new boundaries & property lines being established as part of the subdivision, Jason believes the area would still be retained by the Borough per the plan. He said it doesn't make sense that the Authority would be expected to spend money to make improvements to those existing surfaces. Jason asked if there was anything further, from an engineering standpoint, he should do concerning this issue. Mr. Missimer said he believes the RLMA is still interested in making all the land transfers previously discussed based on the boundary lines on the map reviewed tonight (not the new map).
Mr. Klinedinst said this was not the map he had seen, but he will discuss this with Jeff Shue. Jason said he can try to get additional clarification to resolve some of the

proposed boundaries back to the original proposed idea. This way, everyone will be of the same understanding.

Andy will forward the email of the Subdivision Plan he received today to Jason & Mr. Missimer for their review. This should include the updated map & boundary lines.

- Requested an Executive Session at the end of the meeting to update the Board on PUC litigation matters.
- **Engineer's Report**—Jason reported the following:
 - 2018 Sanitary Sewer Maintenance Project
 - Mobile Dredging & Video Pipe, Inc. submitted their 4th & final Request for Payment in the amount of \$28,855.00. Overall, the contract came in under budget & under the amount of the original contract and Jason said he concurs with the payment request. Mr. Missimer made a motion to pay the \$28,855; Mr. Poff seconded. All were in favor; motion carried.
 - Country Ridge Interconnect (Burrows Lane)—Jason met with Jeff Beard to walk through the area & discuss the necessary scope of work. Jason submitted a draft set of plans for Authority staff to review & comment, as necessary. Current cost estimate is approx. \$340,000, but this could change.
 - Cabin Creek Dam Safety Annual Inspection Report—Concerning the Slope Stability Analysis, Jason has communicated with DEP regarding their expectations. Until the hydraulics are complete, no action is necessary on the Slope Stability Analysis. New flood/rainfall depths should be released early 2020 & once they are, that data will be used in the model. More on this later.
 - Howard Street Sanitary Sewer restoration work—Jason looked at two patches that had been completed during an Authority project. He agrees the work is not 100%; however, patchwork on existing roads that may not be in 100% great condition and in repairing of a 10'-deep sewer trench, he believes it is one of the best trench repairs that he has seen. There is some deviation in the pavement and a small lip, but the Authority's specs are set up to measure deflections in the pavement over a 10-foot span longitudinally (with the flow of traffic) and based on what he saw on Howard Street, he believes it may only be a ¼" to a ½" out of specification. He maintains his original suggestion of waiting till spring to look at the area again to review the condition.
 - Overflow valve at the park—Sherwin Logan is working on this with RLMA staff. It will go through the SCADA system, once finished.
- **Superintendent's Report**—Keith reported the following:
 - Authority members attending Borough Council meetings:
 - October 7th & 14th—Jeff Herrman
 - November 4th & 11th—Mike Poff
 - October 16th, 2019—shut offs for delinquent bills
 - Three quotes were obtained for the spare flowmeter transmitters at the Water Treatment Plant. The least expensive quote came from the South Main Street resident who had spoken to Keith after the July lightning strike. It's a Rosemont meter with pigtails coming from the bottom, that comes with a 2-year warranty. Keith has the quotes in his office; he believes the quote was \$3,400 for two of the units. They come already programmed & will be stored on a shelf, ready when needed and able to be connected & running within an hour. Control Systems 21 quoted \$3,886 for one unit, not programmed and Eaton quoted approx. \$7,000 for one unit, not programmed.

6. **WATER AND SEWER—NEW BUSINESS**

- The rebar that was in the sanitary sewer at 30 East Broadway has been removed by the RLMA contractor, USG.
- Gas island behind the Municipal Offices—Jeff Beard reported that, in 2022, DEP will require hydrostatic testing to be done on all the pits on the concrete island. This will include all gas lines, electric lines, and everything exiting from the pit, which has a rubber boot on it. These lines are approx. 25 years old and he believes, at least one of them will fail testing. Keystone Petroleum, who conducts maintenance on the pumps, suggested RLMA staff prepare ahead of time for the DEP requirement. The key bank going to the gas island, along with the pumps, are becoming obsolete. It was a great commodity when there were no 24-hour gas stations around; however, Jeff believes it's time to get out of the gas dispensing business. What expense is involved in closing the gas island? Jeff is researching this. The two tanks are double-wall steel tanks & the approximate figure to use is \$1.75/gallon. The two tanks are 6,000 gallons each. Excavation, removing the tanks, etc., Jeff is estimating will cost approx. low-\$20,000's. Hydrostatic testing & updating will be approx. low-\$20,000's. Updating the key bank & pumps would cost approx. \$5,000-\$8000. Jeff reported current users of the gas/diesel are two fire companies, one ambulance, one Borough & one Authority. Red Lion Borough does not use any of the gas and/or diesel. Not all 24-hour convenience/gas stations sell diesel and some stores that **do** sell it, may not be familiar with the key card system and/or how to handle taxes with a municipal account. One of the only positive things about RLMA having their own gas island is that it's connected to a generator, so in the event of a power failure, gas and/or diesel is still available. Jeff is unsure, but would assume, Sheetz (where diesel is available) has a generator. River's Garage has diesel (not open 24 hrs) and it's unsure whether they have a generator. Mr. Missimer stated the cost charged for the gas/diesel at the island does not cover all the time for RLMA staff to maintain the pumps, bookkeeping of the staff, & the required testing involved. He believes the further testing that will be required in 2022 is good reason to get out of the gas business, not to mention that it is an accidental & environmental liability. Jeff said he is waiting for an assessment report from Keystone Petroleum and will conduct further research with Sheetz & Rutter's. He will report back, once he has more information. It's a reasonable expectation that, by the end of 2019, the Authority will know whether they will continue in the gas business. They can then give notice to the current users of when the gas island will be closed.
- WHTM Channel 27 called Jeff to ask about the possibility of mounting a weather camera on the front of the Municipal Office building, at no cost to the Authority. They said it is a non-intrusive type of installation, but the news station would send someone to assess the roof prior to any mounting. The Board is amenable to this; more information to follow.
- Of note, Freddie Mead (local resident) was very pleased about the recent Water Treatment Plant tours, held during Watershed Weekend. Everyone involved thought the day went well & thanked all the staff.
- October 7th—Safety Meeting will be held @ 7:30am in the Maintenance Department.
- Mr. Missimer reported on the Source Water Protection Meeting held at RLMA Offices on September 18th. Discussion was held on the following:
 - Updates were given on the July lightning strike.
 - Recent lead & copper sampling that is completed every 3 years had very favorable results.
 - The North Camp Street project, sewer repair projects & Green Branch projects are all complete.
 - 1,400 new meters have been installed to date.
 - Burrows Lane project discussion was held.

- Red Lion sold 3 rain barrels since the last meeting; Windsor Township sold 18 rain barrels over the past few months.
 - Updates given to Dallastown Yoe Water Authority & Windsor Water Authority on the PFOS/PFOA issue.
 - Discussion on the Northern Water-Milfoil issue at the reservoir & what will be done, how RLMA will handle that.
 - Kipp Allison stated the property next to the Water Treatment Plant has been sold to a Lancaster County Amish family & he's been working with them on the types of permits Windsor Township requires. Kipp was unclear of exactly what they want to do on the property, but the family is aware of the WTP operation. Mr. Missimer said it may be a good idea for them to meet Keith, Jeff, WTP staff and become familiar with the Source Water Protection Plan & other operations.
 - Next Source Water Protection Meeting is November 20th, 2019 @ 6:30pm. Mr. Missimer will contact Windsor Borough to see if they will host; if not, it will be at Windsor Township Offices.
 - Mr. Klinedinst asked about a water bill the resident @ 124 N. Main Street received for over \$800. Keith & Jeff knew of an incident (over a year ago) when the resident dug without placing a PA One Call prior to digging and tore the stop off the Authority's line at the street. He would've been billed for RLMA's employee overtime and to make the repairs, but that was not a recent event. Mr. Klinedinst will ask the resident for more details about the bill.
7. **Approval of bills & statements**—Mr. Missimer made a motion to approve the bills & statements; Mr. Herrman seconded. All were in favor; motion carried.
 8. **Authority recessed to Executive Session** @ 8:12p.m. to discuss PUC litigation & personnel issues; Authority reconvened @ 8:52p.m. No action was taken.
 9. **Adjournment**—Mr. Herrman made a motion to adjourn @ 8:52p.m. Motion carried; meeting adjourned.
 10. **The next Red Lion Municipal Authority meeting will be the Budget Meeting held Wednesday, October 23rd @ 6:00p.m. The regular monthly meeting will follow @ 7:00pm.**

Respectfully submitted by:

Stacy Myers, Recording Secretary