

REGULAR MEETING OF THE
BOARD OF DIRECTORS
May 12, 2010 Regular Meeting 5:30 p.m.

Members Present:	Gary Beatty, President Marion Rosselot, Secretary John Gibson, Ass't Sec. Treasurer
Engineer:	Tom Thompson, Gannett Fleming
Employees Present:	William Brady, Superintendent Maria Kerekes, Office Manager
Press:	Caleb Stright, Record Argus
Guest	Tom D'Alfonso, Jr., Council Representative Anthony D'Alfonso

Meeting called to order by Mr. Beatty. Minutes of the April 14, 2010 meeting were reviewed. Motion by Mr. Gibson to approve minutes as presented, seconded by Mrs. Rosselot. Motion carried by unanimous vote.

Treasurer's report was given by Mr. Gibson. He reported the Authority currently has \$446,450.52 in unrestricted funds less committed funds leaving \$186,450.52 in available funds which is up approximately \$12,000.00 from March 2010. Mr. Gibson also reported that Revenues were under budget by approximately 2% year to date. Mr. Gibson presented a proposed revised budget for 2010 through 2015, which would include a rate increase for the second half of 2010 of 7%. He also presented a Capital Budget Guideline for the Authority to maintain the existing system integrity. At a replacement rate of 1% per year for replacement of the Distribution system alone the Authority would need to budget approximately \$258,979.00. In addition allotting for complete system improvements, a plan was presented to budget \$360,000.00 annually. This amount could only be realized by implementing the proposed rate increases. Mr. Gibson also emphasized the amounts presented can be adjusted according to what happens each year in the community, and the plan presented was a guideline as to what needs to be set aside for maintenance. Mr. Brady stated the fact the 7% proposed increase would not affect Public Fire Protection rates since these were under contract. The proposed increases remaining were 10% beginning Jan. 1, 2011, 9% January 1, 2012, 7% January 1, 2013, 5% January 1, 2014 and 5% January 1, 2015. He also presented Capital Improvements projected over the next 5 years of \$113,550.00 in 2010, \$160,700.00 in 2011, \$284,925.00 in 2012, \$340,500.00 in 2013, \$386,325.00 in 2014 and \$384,900.00 in 2015. Expenses will be kept at an annual increase of 2% with the exception of labor costs which 3.5% was allotted in all departments. It was agreed the board is to review the proposed budget amounts for another month and it could be acted upon at the June, 2010 meeting. A rate comparison with surrounding water utility's was presented, showing that we were lower than the average rate structure. Motion by Mrs. Rosselot to accept the Treasurer's report, seconded by Mr. Gibson. Motion carried by unanimous vote.

Engineers report was given by Mr. Thompson. He reported the Source Water Protection plan has been reviewed and they provided their comments to PA Rural Water. The draft plan is expected to be submitted to PaDEP for their review this week. The Hadley Road tank project is again underway. In talking with the contractors, Mr. Thompson reported the Authority could save

approximately \$20,150.00 if the asphalt was eliminated, leaving the gravel drive to the tank. However, the Authority could opt to partial asphalt, whatever the board agrees to do, but the Authority has some time to make that decision.

Mr. Thompson reported Mr. Brady and himself met on May 4, 2010 with PennVest representatives regarding securing a Distribution improvements loan/grant. He stated depending on our funding criteria we could be eligible for a full loan, a partial loan with a grant or a complete grant. He recommended against applying for the H20 grant since our chances in obtaining it was very small, since we did not enough criteria to compete for the loan. Mr. Gibson suggested that we pursue the Pennvest application and not spend the money, up to \$4,000.00 to apply for the H20 grant. Mr. Beatty agreed and with it being the consensus Mr. Thompson is to move forward to get the information as to the amount of the loan needed for the Pennvest application.

Superintendent's report was given by Mr. Brady. He reported the Authority has distributed the annual Consumer Confidence Report to half of the customers with the May water bills and the second half would go out with the June bills. In addition the DEP requirement of distributing the reports to major businesses in the area has been completed. He also reported in 2009 the Authority had no violations. He reported the Bentley Ave. project had been completed but when the area was switched over to high pressure, 4 service lines had broken. The area was switched back to the low pressure side and a PRV (Pressure Reducing Valve) would need to be installed. When questioned by Mr. Gibson as to the cost of the valve Mr. Thompson stated he felt the costs would be approximately \$4,000.00. Motion by Mr. Gibson to purchase and install the valve, at a reasonable cost, seconded by Mrs. Rosselot. Mr. Brady informed the board he would secure a firm price and e-mail all with the total cost before purchasing.

Mr. Brady reported that DEP/EPA has raised their Tier 1 requirements for customer notification. He stated the Swiftreach program that we have has offered a service that they can pull all 16125 residences and scrub the addresses to meet our customer base. They quoted a price of approximately \$300.00 for this service, but he requested additional information before commitment. Mr. Brady stated he would e-mail the board once he receives the information.

Motion by Mr. Gibson to adjourn, seconded by Mrs. Rosselot. Motion carried by unanimous vote.



Marion Rosselot
Secretary

Transcribed by
Maria Kerekes