

NORTH MIDDLETON AUTHORITY

Board Meeting

May 16, 2016

Place: North Middleton Authority
Administration Building
240 Clearwater Drive
Carlisle, PA 17013

Time: 6:00 PM

Present: Authority members present were: Jim Hurley, Bob Reisinger, Stanley Dye, Blaine Shatto and Greg Lebo. Also present were Hannah Stewart of GHD, Engineer; Kate Millikan, Solicitor; Jodie Fuller, Office Manager; and E. Lee Koch, Manager.

Visitors: Tracey Rash, Maher Duessel, CPAs

MINUTES:

Mr. Reisinger made a motion to approve the Minutes of the Board Meeting held on April 18, 2016. Mr. Dye seconded the motion and it carried unanimously.

VISITORS:

Ms. Tracey Rash from Maher Duessel, CPAs, presented NMA's 2015 audit and financial highlights.

Ms. Rash called the Board's attention to the 3rd page of the Financial Statement, and reviewed the responsibilities of Management and the Auditors. She stated that the Opinion of the Auditor was a clean opinion on the Authority. She stated that this is an unmodified opinion of the water and sewer funds of North Middleton Township which includes the Authority. She directed Board Members' attention to the bottom of the page addressing Change in Accounting Principle, and notified them that there was a change in how pensions are accounted for and reflected on the Balance Sheet. Ms. Rash pointed out that because of the type of pension NMA has, the Board used to not see anything but a footnote in the Financial Statement but now, due to the standard changes, pension information is reported differently and more accurately. She reviewed the portion of the Financial Statement that was affected, including categories now reflected as Deferred Outflows

of Resources and Deferred Inflows of Resources located in the Notes to Financial Statements at the back of the report. Ms. Rash explained those categories and their relevance to the pension plan. She indicated these changes are the result of Governmental Accounting Standards Board (GASB).

Historical pension information has been added to the Financial Statement but it is unaudited.

There is supplementary information in the form of combining statements in the back of the Financial Statement and it is audited.

Mr. Dye asked where the cost was shown for PMRS to work on the pension fund. Ms. Rash directed him to administrative expense on the Financial Statement and explained that the service cost was for increase in liability incurred from everyone having worked for one more year.

Ms. Rash directed the Board to the Communication to Those Charged with Governance Letter and said it is no different than the prior year except that there is a "past adjustment" attached to it. She stated that the adjustment was not made and does not affect the Auditor's Opinion. The Management Letter discusses some internal control matters found during the Audit process, most of which are repeats, and includes information on some new, upcoming GASB standards that may affect the Authority in the future. She reviewed some "Other Matters" that are inconsequential to the Audit. They involve journal entries, IT controls (disaster recovery plan) and unearned reserve water capacity fees.

As part of the Audit process, Ms. Rash provided some reports that go to various governmental agencies and a Notice of Audit for the newspaper.

In conclusion, Ms. Rash stated that they will update the footnote with information PMRS is supposed to be providing them soon and then they will be ready to issue a revised Financial Report.

Mr. Shatto made a motion to accept the Financial Report. The motion was seconded by Mr. Lebo, and passed unanimously.

SOLICITOR'S REPORT:

Ms. Millikan had no report.

ENGINEER'S REPORT:

Ms. Stewart reviewed a written summary of GHD's activities on behalf of the Authority:

CRAPS #2 Upgrade:

Schedule:

Date	Action
February 4, 2016	Mobilization
April 16, 2016	Substantial Completion
May 16, 2016	Final Completion

Progress Meeting #5 was held for the job on May 4, 2016. The next scheduled progress meeting is May 25, 2016. This will likely be the last progress meeting, and GHD plans to do a substantial completion walkthrough directly after the meeting.

PSI has received the pumps and control panel, which has caused the delay in schedule. PSI sent out a notification earlier in the day that the pumps and control panel have been installed. GSE just needs to finish up some wiring. It sounds like the pumps will be started up by either the end of the week or the beginning of next week.

WWTP NPDES Renewal: GHD will continue to work with NMA to address any and all of DEP's comments. NMA resampled for Free Cyanide and Acrolein. From the resampling, the Acrolein has come back non-detect at the lower detection limit and should be satisfactory to DEP. GHD is still working on what they might be able to do with the Free Cyanide, which still came back high.

Marion Avenue Pump Station Upgrade and Pheasant Run Force Main: After discussion with Mr. Koch, it was decided to investigate an alternate routing option for Pheasant Run. Being the end of the metering season, this evaluation will not be complete until late Fall. (The meter will likely be installed in late September/early October.) In the meantime, GHD has D.L. Reiber Associates scheduled to do survey within the next week for the Marion Avenue Pump Station and Force Main. Within the next couple of weeks, Reiber will be getting the manhole inverts along Virginia Avenue and Mary Lane so GHD can begin preliminary modeling and be prepared for the metering data for the alternate Pheasant Run Force Main. (Reiber will be in

contact with either Mr. Koch or Brian White a day or so before they come out to site to notify them and to gain access to the Marion Avenue pump station.)

Brubacker Development: GHD has begun to review the plans for the Brubacker Development, which Mr. Koch passed along to them on May 4, 2016. Tim Parthemore has a meeting with Mr. Koch on May 18, 2016, to discuss. Mr. Koch provided a verbal recap of this issue. There is apparently interest in still developing part of the land involved in the original development plans. The Board briefly discussed.

MANAGER'S REPORT:

Mr. Koch's written report, which was sent to Board Members prior to the evening's meeting, included:

Cavalry Road Area Pump Station II (CRAPS II): Pumps and equipment were shipped this week. We expect the installation of the pumps and equipment to begin next week upon arrival at the site. Electrical service to the station is installed, inspected and working. Start-up services for the generator set are scheduled for May 19, 2016.

PSI Inc., General Contractor, submitted Payment Application #3, which was reviewed and approved by GHD and NMA for \$42,534.00. Garden Spot Electric, Inc., Electrical Contractor, submitted their first Payment Application #1, which was also reviewed and approved by GHD and NMA for \$51,216.67. Both Pay Applications are part of the requisitions for this month.

On-Line Set-Up: NMA is now available online. The main objective for going online is to accept payments using the resources available through our billing program. This service is included within our software at no additional cost, using what is known as ACH (Automatic Clearing House) payments. Simply put, the customer registers their account information with their individual CID (Customer Identification Number). Once they have registered, they can review their account history, payment history and make payments online using their bank account to automatically transfer a payment to the Authority's account. The Authority's banking information is not displayed. The ACH payment method is available at no cost to the customer or the Authority. Normally, the Authority would incur a fee from its bank, but this has been waived by Orrstown.

Also on the website is general information including approved Authority Minutes, meeting dates and times and the 2015 Consumer Confidence Report.

Our next step will be to add the E-Net-Pay system, which will allow the use of credit card transactions. Individuals opting to use this system will pay a transaction fee which is set by the third party vendor and according to the amount of the invoice. The Authority staff does not want to take credit cards over the phone or in person, and this practice is not recommended by our insurance agent.

Unearned Reserve Water Capacity Fees: Pamay Development Company, owner of the Meadowbrook Farms residential development, prepaid for water and sewer capacity fees for the portion of the development located with Middlesex Township. The money was paid to Middlesex Authority and Middlesex Authority in turn paid the money to North Middleton Authority. The Authority kept the money in escrow and as the houses were built, the money was taken from the escrow and placed into the Tapping Fee account.

This has been hanging around since the agreement was signed in 2008, and we need to make a decision as to return the money or recognize it as revenue. The agreement in 2008 states on Page Three that a credit was given to NMA for use by Middlesex for the water facilities servicing Meadowbrook. The agreement also states that as of April 1, 2008, that Middlesex no longer is required to pay Tapping Fees to North Middleton for the water system servicing Meadowbrook. The amount in escrow is \$41,856.00. At the meeting it was decided that Mr. Gilroy will meet with Mr. Koch and Jodie Fuller on this issue.

Grinder Pump Repair, 516 Long Gaps Road: Since the owner of this property cannot be located, the renter is willing to pay for this repair to the grinder pump. He will be in with a \$700.00 deposit and we will begin the repair work. Mr. Koch will issue the renter a receipt for the deposit.

SUPERVISORS' REPORT:

Mr. Reisinger had no report.

TREASURER'S REPORT:

Mr. Shatto reported on bills that were paid in April and stated that operating costs were as follows:

for water, \$ 70,458.28
 for sewer, 79,562.08

He made a motion to approve payment of the bills. Mr. Dye seconded the motion and it passed unanimously. Mr. Shatto then made a motion to requisition from North Middleton Township:

for water, \$ 81,233.76
 for sewer, 99,030.31

Mr. Reisinger seconded the motion and it also passed unanimously.

Mr. Shatto then made a motion, seconded by Mr. Dye, to approve a special requisition for the Fulton Bank Note payment:

for water, \$ 47,440.40
 for sewer, 160,631.53

It passed unanimously.

Mr. Shatto then made a motion to approve:

From the Orrstown Capital Account:

<u>Req. #</u>	<u>To</u>	<u>For</u>	<u>Amount</u>
O-195	PSI Pumping Solutions	CRAPS#2 Upgrade	\$ 42534.00
O-196	Garden Spot Electric	CRAPS#2 Upgrade-Electrical	51215.67

From the Orrstown Capital Account (Cont'd):

<u>Req. #</u>	<u>To</u>	<u>For</u>	<u>Amount</u>
O-197	GHD	Engineering-CRAPS#2 Upgrade	2066.22
O-198	GHD	Engineering-Annual Report 2015	697.00
O-199	GHD	Engineering-NPDES Permit Renewal	382.50

Mr. Dye seconded the motion, and it carried unanimously.

SECRETARY'S REPORT:

Mr. Lebo commented on the invoice issue with the Borough. The matter is cleared up now. He discussed the list of delinquent customers. There are liens filed against the properties. Mr. Koch explained that it is illegal to shut off the sewer services and most of the delinquent customers are sewer-only customers. Mr. Lebo asked about the letter to Mr. Wolfskill regarding his meter not being accessible. Mr. Koch said there has still been no word from Mr. Wolfskill.

PERSONNEL COMMITTEE:

Mr. Koch reported that we have advertised for the new position and resumes are beginning to come in. He anticipates interviews may begin next week.

OLD BUSINESS:

None.

NEW BUSINESS:

None.

ADJOURNMENT:

The meeting was adjourned at 6:55 PM.

Respectfully submitted,

Greg Lebo
Secretary

Mary Dutchess
Recording Secretary