

MINUTES OF THE ONLY REGULAR MEETING
OF THE MONTH OF AUGUST
PERKASIE REGIONAL AUTHORITY
TUESDAY, AUGUST 20, 2019

The only regular meeting of the month was convened in the Authority Office, 150 Ridge Road at 6:30 p.m. on August 20, 2019 by Chairman David Watt. Attending in addition to the Chairman were Board Members J. Thomas Horn, Stephen Algeo and David Bedillion. Absent with consent of the Board was Robert Wasson. Staff members present: Nicholas Fretz, Manager, Peter C. Andersen, Engineer, John N. Schaeffer, III, Esquire, Solicitor and Patricia Fluck, Accounting Assistant.

EXECUTIVE SESSION:

The Chairman announced that the Board met in an executive session prior to the regular Board meeting to discuss real estate.

MINUTES:

Upon motion by Horn, seconded by Bedillion, the Minutes of the regular meeting of July 16, 2019 were approved as written.

PUBLIC FORUM:

- a) 1129 W. Market Street, Perkasio, PA – Mr. LaRocca (property owner's son/representative) requested a credit on the sewer portion of his bill for a leaking toilet that was since fixed.

See Official Board Action

- b) 128 E. Walnut Street, Perkasio, PA – Ms. Atkins (property owner) requested a credit on the sewer portion of her bill for a malfunctioning sump pump that was since fixed. The property owner requested this credit by letter since they had since moved to California.

See Official Board Action

- c) Jamie Schlesinger, PFM Financial Advisors & Mark Quinn, Stifel, Nicolaus & Co. – Refinancing Opportunity - Mr. Schlesinger and Mr. Quinn made a presentation to the Board regarding the bidding from various banks and stated that the rates were even better than they projected. However, with those rates being low, they stated it would make sense for the Authority to also consider refunding the Univest Loan. They further stated that if that would be the Board's choice, then the refinanced amount would be over the allowable amount for a bank loan and they suggested they consider issuing bonds instead of a bank loan. The Manager informed the Board that if they choose the bonding option, the Board would need to direct Jamie Schlesinger, PFM Financial Advisors & Mark Quinn, Stifel, Nicolaus & Co. to start the formal bond process. The Board directed Jamie Schlesinger, PFM Financial Advisors & Mark Quinn, Stifel, Nicolaus & Co. to start the bond issuance process so PRA can settle at the end of 2019.

CORRESPONDENCE:

- a) Ridge Run PFAS – Resident Letters – The Manager presented the Board a letter that was sent by the Department of Environmental Protection to the affected Ridge Run PFAS residents who had recorded levels of PFAS above the 70 PPT HAL.

PWTA:

- a) Minutes from the June 2019 meeting
b) June 2019 flow reports

FINANCIAL INFORMATION:

- a) Balance Sheet for July 2019
- b) Profit and Loss Budget Overview Reports for July 2019
- c) Statement of Trust Funds – July 2019 – Ms. Fluck presented to the Board an analysis of the past 9 years of Statement of Trust Funds since her employment with PRA. She further stated that since the beginning of her employment until today that PRA’s financial position has become stronger (especially since 2013) with the Revenue Fund’s balance. She informed the Board that the Revenue Fund is the fund where all monies from customer’s bills are deposited and that fund is an important fund since all operating costs for PRA are paid from it and she specifically noted July 2013 balance at \$46,857.51 and July 2019 balance at \$2,537,389.41. Ms. Fluck further stated that she felt this was a direct result of not only the Board members decisions throughout this time but warrants recognition to the Manager of PRA for reducing costs, recommending and implementing new finance options for the Board members to decide, eliminating waste and genuinely considering the effects of all decisions on the ratepayers in PRA’s service area.
- d) Revenue Fund Requisition Number 532 in the amount of \$167,986.26.
- e) Construction Fund Requisitions Numbers 53 through 55 in the amount of \$56,845.92.
- f) Project Summary

Upon motion by Horn, seconded by Bedillion, the Financial Report and the List of Bills – Items d) through e) were unanimously approved.

OPERATIONS REPORT:

- a) Activity Report
- b) Sewer truck report – Internal Use Value Report
- c) Average production by month for July 2019
- d) Precipitation Report for July 2019
- e) Water Production Reports for July 2019

Upon motion by Bedillion, seconded by Horn, the Operations Report was unanimously approved.

SOLICITOR’S REPORT:

- a) ERT Meeting – The Solicitor stated that a representative from his office attended the meeting on July 22, 2019.
- b) Developer Agreements for Spruce Street Townhomes - The Solicitor stated that he finalized the Developer Agreements for this project.
- c) 1213 Tunnel Road - The Solicitor stated that he was in contact with Perkasio Borough’s Solicitor and it appears the Borough was unwilling to pursue the issue any further even though it was a subdivision plan that was approved by Perkasio Borough and the property owner refuses to be compliant with the approved subdivision plan. After discussions, the Board directed the Solicitor to send a letter to the property owner informing him that PRA would be installing an elder valve on the sewer service line and if all conditions were not met by the property owner within 30 days, the elder valve would be exercised and the sewer service would be plugged at the lateral of the property (with copies of the letter going to Perkasio Borough Solicitor and Bucks County Department of Health) and that any backup or overflow resulting from the sewer service shut off would be the property owner’s responsibility.

Upon motion by Algeo, seconded by Horn, the Solicitor’s Report was unanimously approved.

ENGINEER'S REPORT:

- a) Booster Station – The Engineer informed the Board they had received various requested variances from East Rockhill Township Zoning Hearing Board and anticipate formal written decision in early September 2019. He further stated they had begun preparing Conditional Use Plans and Land Development Plans. In connection with the Land Development Plans, the Engineer authorized infiltration testing to allow a design for the required stormwater management facilities to control the increased runoff after construction.
- b) Country Ridge – The Engineer stated everything was reviewed and approved and were waiting on mylar and digital as-built drawings.
- c) Pennridge Airport - The Engineer stated they were developing a punch list for this project.
- d) Perkasio Woods – The Engineer stated they were developing a punch list for this project.
- e) Hidden Meadows – The Engineer stated they were developing a punch list for this project.

Upon motion by Bedillion, seconded by Horn, the Engineer's Report was unanimously approved.

MANAGER'S REPORT:

- a) Jet Trailer, New Truck, MuniBid – The Manager stated that the new truck and jet trailer were displayed outside for the Board members to view. He further stated that now that PRA had the new truck and trailer, they could finally do away with the old jet truck and pickup truck. The Manager recommended PRA list both of those vehicles, as well as the original tailgate and miscellaneous parts from the new truck, on MuniBid for anyone in the public to bid on. Although the vehicles aren't in the best of shape, they were still probably useful to someone either to rehab or for parts. The Board directed the Manager to place those items on MuniBid.
- b) 1213 Tunnel Road – The Manager stated this was discussed during the Solicitor's Report.
- c) Sewer Manhole Lining – The Manager stated that Advanced Rehabilitation Technology lined four (4) manholes on 2nd Street. He further stated that the reason those manholes were selected on 2nd Street was because these are some of the oldest, brick manholes in the system and most of the mortar was missing between the bricks. He further stated that this lining had a layer of latex then a layer of structural material and then another layer of latex, which makes the lining waterproof and structural. The Manager displayed pictures and videos to show the Board at the meeting.
- d) Trees on PRA Property that border Hunsberger property - The Manager stated he was contacted by JR Hunsberger regarding a few dead trees on our property that are close to his house and that Mr. Hunsberger was concerned that in a wind storm they could blow over and fall on his house. The Manager further stated there were 2 large dead ash trees towards the back of PRA property that needed to be taken down, however, since they were so large, it was not something the PRA staff guys could handle. The Manager stated they have contacted J&J Arbor to come look at the trees and take them down.

MANAGER'S REPORT:

- e) Meter Replacement Program – The Manager stated that he had drafted a letter that would need Board approval, that would give each of the remaining property owners the option to grant PRA access and change out the meter OR they would be charged a service fee for PRA to read their meter with the outdated technology. Since PRA currently only bills quarterly, those property owners would get charged that fee 4 times per year. However, if the Board were to entertain monthly billing in the future, those property owners would get that charge more often. He further stated that he recommends that the Board give the 50 remaining property owners until January 1, 2020 to have the meter changed or they would incur that service fee starting on January 1, 2020.

See Official Board Action

- f) Roof Replacement Proposal – The Manager presented a proposal from Jeff Dean to replace the roofing shingles (and the snow guards) on the roof above the Board Room. He further stated that part of the roof was the worst and needed to be repaired as soon as possible.

See Official Board Action

- g) 2020 Budget Projection – The Manager stated that the budget projection was based on the refinancing that was discussed under Public Forum that Jamie Schlesinger, PFM Financial Advisors & Mark Quinn, Stifel, Nicolaus & Co. – Refinancing Opportunity discussed earlier. He further stated that PRA's debt service would be reduced from \$2 million per year to about \$1.6 million with the refinancing and pay down of some of the existing debt with the bond reserve fund. With the combination of that roughly \$400k savings as well as the additional customers we are realizing with the new developments, the Manager proposed a rate reduction of roughly 5.25% for the average customer. He further stated that since the debt service was decreasing, he proposed lowering the base charges (which are used to cover the debt service) by \$5.50 per EDU on the sewer side and \$9.75 per EDU on the water side, for a total savings of \$15.25 per customer per quarter. The total base charges for a customer connected to both water and sewer would go from \$113.25 to \$98.00, which would significantly help the people on a fixed income, as most of those households are seniors and use less water. The Manager stated that this was just the first attempt at the budget projection, so they could discuss this more at the next meeting and get feedback. The Manager further stated to keep in mind, that PRA would need to have the 2020 Budget approved no later than the November 19th meeting and recommended they approve the 2020 Budget prior to November 19th meeting so PRA doesn't have any issues with the current indenture. The Board directed the Manager to prepare and present a budget at the next meeting that showed the rates staying constant so that the Authority could use the proceeds to do Capital projects that have been planned for several years.

- h) Solar/Green Energy – The Manager informed the Board that after the last meeting, Dave Bedillion had given him a contact, Dave Sandberg who works for Noresco, which is a 'green energy' consulting company. He further stated that after some discussions with Mr. Sandberg, he indicated that if PRA was looking to save money, solar or wind energy would not work because PRA just doesn't have a large enough demand and since PRA wouldn't get a tax credit, PRA would be looking at probably 15 years minimum before the costs would break even.

- i) New Employee Job Description – The Manager presented the Board with the new employee Job Description. He further stated that he would like to hire an entry level person to fill this role and train them on everything pertaining to PRA operating procedures. The Manager stated that if the Board approved, he would have the job posted and accept resumes over the next several weeks. He further stated that, if approved, he would have a recommendation by either the September or October meeting for a start date sometime in either October or November. The Board directed the Manager to move forward with the job posting.

Upon motion by Algeo, seconded by Horn, the Manager's Report was unanimously approved.

OFFICIAL BOARD ACTION:

Upon motion by Watt, seconded by Algeo, the Board unanimously approved to credit 1129 W. Market Street, account #6385, the sewer charges due to a leaking toilet that was since fixed in the amount of \$691.65.

Upon motion by Watt, seconded by Algeo, the Board unanimously approved to credit 128 E. Walnut, account #5837, the sewer charges due to a malfunctioning sump pump that was since fixed in the amount of \$1,380.05.

Upon motion by Watt, seconded by Bedillion, the Board approved to send the letter (to be sent immediately) and the additional \$10.00 service fee for those properties who would not upgrade (effective January 2020), with a vote of 3-1, with Algeo voting nay because he felt all customers should be required to upgrade to the new technology.

Upon motion by Watt, seconded by Bedillion, the Board unanimously approved to accept the proposal from Jeff Dean to replace the roofing shingles and snow guards on the roof above the Board Room.

CHAIRMAN'S REMARKS:

None this meeting.

PUBLIC FORUM II:

None this meeting.

EXECUTIVE SESSION:

The Board did not have an Executive Session after the meeting.

ADJOURN:

There being no further business to come before the Board in the regular session and upon motion by Bedillion, seconded by Horn, the meeting was adjourned at 8:55 p.m.

Respectfully Submitted,

Patricia Fluck, Recording Secretary

David Bedillion, Secretary