

MINUTES OF THE 11/18/2020 MEETING

A meeting of The Municipal Authority of the Borough of Lewistown was held at 70 Chestnut St., Lewistown, a teleconference option was offered due to COVID social distancing restrictions.

BOARD MEMBERS PRESENT: Bargo, Berrier, Laite, Rager, Rocco (teleconference)

BOARD MEMBERS ABSENT: None

BOARD MEMBERS LATE: None

OTHERS PRESENT: Bubb, Hassinger, Searer, Ward

OTHERS ABSENT: None

OTHERS LATE: None

PUBLIC PRESENT: 1 - Teleconference

PUBLIC COMMENT:

None

READING OF THE MINUTES:

A Rocco/Bargo motion was made to approve the 10/21/20 minutes as presented. The motion passed 5-0.

TREASURER'S REPORT:

The Treasurer's report was presented by Bargo. The budget report was approved 5-0 on a Bargo/Rager motion. The voucher report was approved 5-0 on a Laite/Bargo motion.

The Cozen O'Connor invoice in the amount of \$79,521.44 for services rendered was reviewed by Solicitor Searer and approved by a 3-2 vote on a Rocco/Bargo motion (Berrier-No, Rager – No).

OFFICE MANAGER'S REPORT:

Hassinger's presented her written report.

The Hartman Group annual renewal for the Worker's Compensation Insurance was presented and reviewed. The overall increase was 12% and includes new hire wage estimates. The safety committee discount of 5% is pending and not reflected in the current renewal. A Bargo/Laite motion to approve the annual renewal in the amount of \$56,914 was approved on a 5-0 vote.

The Q3 2020 Conrad Siegel Investment Advisors summary was provided for review.

A Covid19 status update was provided. One employee tested positive to date. Updated CDC guidelines and State recommendations are being followed. No change in lifting the turn off moratorium.

The cash flow summary report was updated and provided for review.

A summary of the 2021 budget and staff salary meeting and timelines were outlined. The final 2021 operating budget is due to the trustee per the trust indenture by 12/31/20.

The Delaware Valley Health Trust (DVHT) annual renewal for medical, prescription and dental benefits was reviewed. The overall increase with the rate stabilization fund election for 2021 applied to the benefit premium was 7.6%. The plan is on a year-to-year basis after the initial four (4) year contract completion. Hassinger reminded the Board that any action for rate comparisons needs to be initialed about mid-year. She also expressed the rates have been very favorable with the DVHT plans and the Staff and customer support of the plan have been excellent. A Laite/Rocco motion to approve the 2021 renewal was approved on a 5-0 vote. The VBA vision plan and Mutual of Omaha plan rates remained unchanged for the year 2021.

Hassinger reported on monthly activity with the transition of MABL to Mifflin County Municipal Authority. Her work has been related to aligning benefit and compiling legal documents related to the asset schedules were the primary focus. The final documents are 90% complete.

Hassinger reported the resignation of Gerald Walker, Filter Plant Operator with almost twenty (20) years of service. His position has been posted internally and will be filled as soon as possible.

EXECUTIVE DIRECTOR'S REPORT:

Bubb presented his written report.

Bubb reported Matthew Castel has started as the Water Production Manager 11/2/20.

Updates on current water main projects were provided. The W 4th St project is complete for the season, paving has been finished. The projects in Lumber City and Sunrise Drive are well underway with no issues.

Bubb reported the conduits for the ethernet cables are being installed by Lepley Electric for the SCADA system. Flow Data is scheduled to be on site the week of Dec 7th to install components and troubleshoot software. The Filter Plant will be down during this time. A modified plant schedule is being generated to ensure water production continues. One report is corrupted.

The sodium hypo equipment is due to ship 12/14/20. The equipment will be installed in the new room. Denora will be on site for startup and troubleshooting.

Bubb gave an update on the recent power surge at the Filtration Plant which caused issues with the security cameras. The upgrade to the security system will continue to be pursued.

The application for the railroad crossing at Juniata Terrace was rejected. MABL Staff and Uni-Tec are working on an alternate plan related to water main location on this project.

The chlorine tank rehab on both tanks has been completed. The bacteria tests have passed and VOC testing is pending.

Bubb updated the status of the truck that was totaled in a vehicle accident. The new truck is due in and will be sent to have the snow plow bracket installed.

The PA DEP AWOP award (13th consecutive year) Laurel Creek Filtration has received the award. There are only five (5) other treatment plants in the state of PA that have received the award each of the 13 years. Great job to the MABL Staff and Filter Plant Operators for the award.

ENGINEER'S REPORT:

Ward presented his written report.

The 2020 DEP Dam annual inspection work is wrapping up. The report will be ready for review at the next meeting.

Ward reported the efforts related to the SRBC well approvals is moving forward with the hydrogeologist, Dave Yoxtheimer working on the reports necessary for submission.

The Filter Plant roof project has been completed. Ward reviewed the details of Change Order #1 which included a credit of \$5,909.00 for frame work that was not installed and a price for the roof at the Mechanic Street Pump Station to be replaced at a price of \$39,925.00; a total change order in the amount of \$34,835.00 was recommended for Board approval. A Bargo/Rager motion to approve Change Order #1 was approved by a 5-0 vote.

There was no change in the status of the warranty work pending on the Ozone System. The replacement parts are ordered, shipping from Sweden. Will coordinate installation with Pureflow.

The W 4th Street project is complete. A final change order was generated to reflect final project quantities. A deduct Change Order #2 in the amount of \$59,313.25 was recommended for approval. A Bargo/Rager motion to approve the change order was approved on a 5-0 vote.

An update on the water system corrosion control was provided. Bubb gave an update on the DEP permit process. A target date is the first week of December to make the purification chemical change.

Ward updated the railroad crossing permit status. The conventional bore was not viable and a directional bore proposal was also rejected by the railroad. Other options will be investigated to get the permit in 2021.

Ward continues to support MABL in the transition to Mifflin County Municipal Authority. Several narratives were provided this month as requested by the legal and bond broker teams.

SOLICITOR'S REPORT:

Searer presented his written report.

Searer gave an update on the active water line extension agreements. There were no major issues.

Searer reported his primary focus this month was working with the County on the Articles of Incorporation and By-Laws for the new Authority. The Articles have been filed with the PA Department of State after the public hearing process was completed. Searer doesn't foresee any issues with approval of the Articles of Incorporation.

Searer updated the Board on the Lewistown Borough's request for changes to transactional documents related to the transition to the County Authority. He advised the Lewistown Borough legal team recommended and signed off on the original agreed upon document. Lewistown Borough has not acted, the County has fulfilled their obligations related to the MOU. Nine (9) names were submitted. This included the three (3) County Commissioners as placeholders who would step down upon receipt of the names from the Lewistown Borough. Searer expressed time was of the essence due to the pending Commonwealth hearing continuance scheduled for 12/7/20. There is also a motion pending with the Commonwealth Common Pleas Court, Judge Grine, for a request to enforce the MOU. Lewistown Borough has not signed, provided no indication of why they didn't sign and put everything at a standstill at this point. The bond issue is pending and the Mifflin County Authority should be officially created by the end of this week.

OLD BUSINESS:

Berrier provided an update on the Kuhn's property in Lingle Valley, Armagh Township. The Kuhn's are accessing their property by crossing over an adjacent property that is tied up in an estate. Kuhn's has contacted MABL for an easement to use a portion of the reservoir property road; clean it up and maintain it as their new access to their property. Berrier discussed options with the property owner and brought back a few questions related to MABL's intent, long term, with the property. Bubba provided some history related to the property, timber sales, option of appraisal and sale. Discussions on how a long-term lease could impact the ability to sell the property. Any long-term solution and further discussions will be brought before the Board at the property owner's request.

NEW BUSINESS:

A Bargo/Laite motion to approve BRIF Requisition #2020-11 in the amount of \$653,663.03 was approved 5-0.

COMMITTEE REPORTS:

Budget – The 2021 operating and capital budget drafts were presented for review and discussion. The capital budget was broken down into annual capital projects of \$1,152,000 and the pending 2020 bond issues projects in the amount of \$2,300,000. The operating budget reflects decreased revenue in the interest, penalty and security gains. Operating expenses are projected to increase by 12%, which includes three (3) new hire positions pending. General and administrative expenses increased by 5.5%. Debt service was calculated with the current bond and PennVest principal and interest. The proposed 2020 bond debt service is projected to be approximately the same principal and interest payment, and would include the payment to Lewistown Borough per the Sales Agreement. No rate increase is proposed at this time. The final budget is due to the trustee, per the Trust Indenture, by 12/31/20.

Personnel – The Employment Contracts drafts have been revised by Cozen O'Conner professionals to reflect a one (1) year severance period in Section D – Termination without Cause. Berrier's opinion was the Agreement was excessive and not legally enforceable later on. Rocco provided details on the Section D provision was to provide any adverse retaliation against an individual based on activities over the past year. Berrier asked what benefit the Agreements provide for MABL and the ratepayers. Rocco said the MABL management team is a strong group. They have provided leadership, strong consistent leadership, of the Authority for many years, and have been the recipients of numerous awards by organizations and Pennsylvania agencies. The Staff members work above and beyond their regular call of duty to ensure the successful operation of the Authority and any removal effort for no cause would be detrimental to the operations of the water Authority. A Rocco/Bargo motion to approve the Employment Contracts for exempt MABL employees was approved 3-2 after a roll call vote: Rager-No, Berrier-No, Rocco-Yes, Bargo-Yes, Laite-Yes.

The annual Staff salaries were presented with increase options of 2.25%, 2.5% and 2.75%. The Personnel Committee recommended a 2.5% increase. Rager requested to see the totals with a 2.0% increase. The information was provided.

A Bargo/Rocco motion to approve the discretionary increases for MABL Staff recommended by the Personnel Committee were approved 3-2 (Berrier-No, Rager-No).

The Personnel Committee presented the proposal for a new Chief Filter Plant Operator position and the request to hire two (2) new Filter Plant Operators. Bubb reviewed the key job functions of the new position and the operational and safety benefits of hiring two more Filter Plant Operators. A Bargo/Rocco motion to approve the Chief Filter Plant Operator was approved 5-0. The current open position at the filtration plant will be filled and due to the budget expense of the proposed two (2) new operators, the approval will be held for the new Board to discuss.

After reviewing the 2% Staff increase totals, a Rocco/Bargo motion to approve the annual Staff increase at a flat rate of 2.5% with \$4,850.52 discretionary increase was approved 3-2 after a roll call vote: Berrier-No, Rager-No, Bargo-Yes, Laite-Yes, Rocco-Yes.

CORRESPONDENCE:

Authority

PMAA Legislative Update

A Rager/Bargo motion to adjourn the meeting at 3:22 p.m. was approved with no opposition.

Attested by:

Barry Bargo
Secretary

CC: Borough Manager via mail