

NESHANNOCK CREEK WATERSHED JOINT MUNICIPAL AUTHORITY
Phone: (724)748-4808 Fax: (724)748-5668
369 McClelland Road
Mercer, PA 16137

MEETING MINUTES
January 11, 2012

Officers:

Chairman:

Paul Minner

Vice

Chairman:

Patrick J. Suhrie

Treasurer:

Jerry Johnson

Secretary:

Brian Bader

Rec Sec'y:

Karen Shipton

Board

Members:

Mercer

County:

Brian Bader

Coolspring

Twp:

Paul Minner

East Lack

Twp:

Robert Gregory

Findley Twp:

Patrick J. Suhrie

Mercer Boro:

Jerry Johnson

The Authority meets the first month of each quarter on the second Wednesday of the month at 8:15 AM in the County Commissioner's Conference Room at the Mercer County Courthouse, Mercer, PA.

THE NEXT MEETING IS SCHEDULED FOR FEBRUARY 8, 2012 AT 8:15 AM

ATTENDANCE

Bob Gregory, Joe Kurtanich, Jerry Johnson, Paul Minner, Pat Suhrie, Dan Goncz, Brian Bader, Karen Shipton, Beth Hillmar.

*The Meeting Opened at 8:15 AM with the Affirming of the Pledge to the U.S. Flag.

BOARD RE-ORGANIZATION

Chairman – Brian Bader opened the floor for nominations for Chairman. Pat Suhrie nominated Paul Minner. Paul accepted this nomination. Jerry Johnson moved to close the nominations. A unanimous vote was taken to approve Paul Minner as Chairman.

Vice-Chairman – Chairman Paul Minner opened the floor for nominations for Vice-Chairman. Brian Bader nominated Pat Suhrie for Vice-Chairman. Pat accepted this nomination. Jerry Johnson moved to close the nominations. A unanimous vote was taken to approve Pat Suhrie as Vice-Chairman.

Treasurer – Paul Minner opened the floor for nominations for Treasurer. Pat Suhrie nominated Jerry Johnson for Treasurer. Jerry accepted this nomination. Pat Suhrie moved to close the nominations. A unanimous vote was taken to approve Jerry Johnson as Treasurer.

Secretary – Paul Minner opened the floor for nominations for Secretary. Pat Suhrie nominated Brian Bader for Secretary. Brian accepted this nomination. Jerry Johnson moved to close the nominations. A unanimous vote was taken to approve Brian Bader as Secretary.

APPROVAL OF MINUTES 12/14/11 MEETING

A motion was made by Brian Bader and seconded by Pat Suhrie to approve the minutes from the 12/14/11 meeting as presented. Motion carried.

TREASURER'S REPORT

Jerry reported that as of 1/1/11, the balance was \$13,340.70. Balance as of 12/31/11 was \$10,583.14. The balance as of today is \$10,458.52. The bulk of money spent in 2011 was for advertising and engineering fees. A motion was made by Pat Suhrie and seconded by Brian Beader to approve the treasurer's report as presented. Motion carried.

NEW BUSINESS

Dan Goncz (Gannett Fleming) handed out a bound copy of the engineering report (which he had already emailed to each board member last week). After our last meeting, Dan met with Rural Development officials and gave them a tour of the entire project area and gave them a scope of the project. At that time, Rural Development indicated a strong desire to fund the project by the middle of 2012. They advised us to begin the application process. They realize that we won't be able to give them some of the information for a few more months but wanted to move forward and complete what we can at this time. Once everything on the checklist is complete, they will give us a Letter of Conditions. This will obligate funds for the project. After we receive this letter, we will have (5) years to spend the money. In the engineer's report, on page 3, there is a letter from Rural Development on 12/27/11 that indicates they need certain items by 1/26/12 and they understand it won't all be submitted by then. There's also an environmental report that listed some endangered species. Dan went over the breakdown of the Project Cost Summary. Construction costs are estimates. The engineering and misc. services are taken off of fee curves that Rural Development establishes based on construction costs.

Item #1- Checklist that we have to go through. Some items highlighted in yellow are what RD wants now in order to move the project forward towards obligation of funds.

Item #2 – Procurement for Professional Services. We are required to go through a process for selecting an engineer. The easiest way to do this is to do a request for qualifications, not based on cost but on experience. This can be accomplished by putting an ad in the Record-Argus that would encourage engineering firms interested to submit a letter of interest to the Authority and can outline information regarding their firm, proposed staff, past projects funded by RD, references for projects done similar in scope and size. Dan is suggesting we request that letters of interest be submitted to the Authority by noon on January 27, 2012. A copy of the 537 Plan will also be on display at the Findley Township Municipal Building for anyone wishing to review it. There is some concern from Mercer Borough about what the cost is going to be for each municipality for this project. Dan explained that on page #4 of the engineer's report, we are looking at a project cost of about \$4,442,000.00. In order to fund this, there will be a "local share". That will be an initial borrowing by the Authority that will be equal to 386 edu's times whatever the tap in fee will be (which will probably be around \$3000.00/edu based on what Dan was told by RD today) {approx. \$1,158,000.00}. This is the first borrowing. The interest that we pay on that money while we have borrowed the money is under "project interest". This is paid back by the tap in fees that we charge the customers. The money for this project will be from guarantees issued by the municipalities sponsoring the project, i.e. Findley/East Lackawannock Townships based on their tax base. This is done on every project.

Mercer Borough, Mercer County and Coolspring Township will not be required to guarantee anything unless for some reason they want to be part of the borrowing, but Dan sees no need for. Joe Kurtanich had a question on what costs there would be that were not part of the project. Dan stated that the only cost that is not part of the project is what is left on the agreement to do the application, and maybe a few legal fees.

Dan stated that there are (3) total borrowings for the project (which is why we need bond counsel), the first being the \$1,158,000.00 from a local share for a short term (about 5 years). The interest we pay on that loan is part of what we are borrowing. That will be retired when customers pay the tap in fees. Findley and East Lackawannock Twps. will have ordinances (unless they already do) requiring people to pay or they can put a lien on their property. The balance of the \$3,284,000.00 will be funded on an interim basis from a loan from a local bank (guaranteed by Findley/East Lack. Twps.). Then, when we get the 3rd and final loan from RD, that balance will be retired. Customers make the payments to the Authority and the Authority will then pay RD. It has to be done this way or the municipalities will have this debt hanging over their heads and will affect their borrowing capacity. The terms on the loan from RD are 40 years at 3.0%. There was a question on if it was possible to roll more money onto the RD loan at the 3.0% rate if the County wishes to move forward with an expansion of the project on the interchange. Dan stated that it is possible to do this and would involve some additional work. Any grant money could not go towards a commercial development. An audit will have to be performed every year and is included in the Project Cost Summary. The board will need to appoint an auditing firm to do this.

****A motion was made by Brian Beader and seconded by Pat Suhrie to have Karen place an ad in the Greenville Record-Argus requesting qualifications for professional engineering firms interested in heading up this project.***

There was discussion as to what qualifications were necessary and if Gannett Fleming would be responding to this ad. Dan stated that the qualifications were outlined from the general guidance document from RD the requirements that they have, i.e. general information regarding their firm, proposed staff and relative experience, past projects funded by RD, references for projects done in similar scope and size. Also, they have to be licensed to practice engineering in PA. Dan stated that Gannett Fleming would be responding to this ad.

****Motion carried.***

Dan wanted to point out that we may be signing agreements for legal bond counsel, engineering and auditor but we are not obligated to those agreements until RD concurs and sends them back to us telling us they are ok. RD will not do this until the funds are at “obligated” status. Item #3 is a list of board members and their offices and Dan will need everyone to sign this to serve as certification that you are board members, and what your office is as well as your term of service. Jerry stated that legally his name is “John G. Johnson”. Dan will make this correction. Karen will sign too certifying that they are all correct. Item #48 on the checklist is regarding the agreement between the applicant and the individual users. This means that some point in time we are going to send a sewer service application to our customers asking them to complete it. Also, we will send them an agreement that allows us to install a grinder pump on their property and then own and operate that pump.

The agreement to install the grinder pump (approved by RD) was reviewed by Roger Shaffer and he liked that particular agreement and recommended we use it. Dan created the Application for Sewer Service and can be changed some time later if desired. RD is particularly interested in the part regarding discrimination and our guarantee we will not discriminate. Item #4 on page 2 will be changed to "Authority" instead of "Township". Dan will make this and any other correction regarding this wording. There is one area that needs to stay "Township" since they are the ones that have the ordinance.

**A motion was made by Pat Suhrie and seconded by Brian Beader to approve the documents (sewer service application and agreement that allows us to install a grinder pump on their(customers) property and then own/operate that pump) and allow Karen to sign these and forward them to RD. Motion carried.*

Item #49 is a certified copy of a right-of-way easement . By signing we are certifying the form (attachment 5). It is a standard RD form that they are requiring us to use when we obtain rights-of-way in the project. Dan ran this by Roger Schaffer and he approved it's usage.

**A motion was made by Brian Beader and seconded by Pat Suhrie to approve the usage of this form. Motion carried.*

Item #6 are agreements for legal and bond counsel services. They are standard agreements used by RD. The legal services for the project are \$30,000.00. The bond counsel services are \$48,000.00 giving the total of \$78,000.00. There was discussion on the different bond counsel firms.

**A motion was made by Brian Beader and seconded by Pat Suhrie to appoint Barr & Shaffer as our legal counsel. Motion carried.*

**A motion was made by Bob Gregory and seconded by Pat Suhrie to appoint Thorp, Reed & Armstrong, LLP as bond counsel. Motion carried.*

Item #7 – The minutes from today's meeting needs to reflect that it was an open meeting, and that the project was discussed.

Items 33,34 & 35 – Articles of Incorporation and Dan would like to see something a little more substantial than what he already has. Roger Shaffer will also check with Don McKay on this.

Item #9 – Engineering Agreement – to be done after the ad has been placed and a firm is chosen.

Item #46 – The water purchase contract, or in this case the sewage treatment agreement that needs to be finalized between the Authority and the Borough of Mercer. It also has to go into the 537 Plan and requires RD concurrence. RD is aware that it will be included when the Borough's 537 Plan is complete in the Spring of 2012. They want this to be the last item complete on the checklist. The goal is to have everything to RD by the end of February, 2012 except for this and the environmental report that may require some additional advertising in the PA Bulletin. There was discussion on different auditing firms.

**A motion was made by Pat Suhrie and seconded by Brian Beader to appoint Black, Bashor & Porsch, LLP as their auditing firm. Motion carried.*

OLD BUSINESS

A motion was made by Brian Beader and seconded by Jerry Johnson to re-appoint Pat Suhrie as Findley Township's representative to the board of NCWJMA. Motion carried.

**A motion was made by Brian Beader and seconded by Jerry Johnson to suspend the meeting until further notice at the call of the Chairman for further action. Motion carried.*

Monday, January 30, 2012 – 8:15 AM

Attendance: Bob Gregory, Jerry Johnson, Paul Minner, Pat Suhrie, Karen Shipton.

**A motion was made by Pat Suhrie and seconded by Bob Gregory to re-convene the meeting of January 11, 2012. Motion carried.*

Chairman, Paul Minner stated that we would review the engineering firm applicants interested in heading up the sewage project for Findley/East Lackawannock Townships. Only (1) firm showed interest. The board reviewed the information received from Gannett Fleming.

**A motion was made by Pat Suhrie and seconded by Bob Gregory to appoint Gannett Fleming as engineering firm to head up the sewage project for Findley/East Lackawannock Townships. Motion carried.*

ADJOURNMENT

A motion was made by Pat Suhrie and seconded by Bob Gregory to adjourn the meeting. Motion carried. Meeting adjourned at 8:38 AM.

Respectfully Submitted;

Karen B. Shipton
Recording Secretary