

**SUMMIT TOWNSHIP SEWER AUTHORITY
MONTHLY BUSINESS MEETING
NOVEMBER 30, 2017**

The regular monthly business meeting of the Summit Township Sewer Authority was called to order with the Pledge of Allegiance at 9:00 a.m. at the Sewer Authority Building, 8890 Old French Road, Erie, Pennsylvania. CALL TO ORDER

Present: Chris Fette, Chairman; Laban Marsh, Secretary; Cloyd J. Rose, Ass't Secretary; Mark Welka, Treasurer; William C. Steff, P.E., Manager; George Joseph, The Quinn Law Firm; Clayton J. Fails, P.E., Greenman-Pedersen; Caitlyn Haener-Schwab, Administrative Supervisor. Absent: Michael Rose, Vice Chairman. Visitors: resident Kevin Ingraham. ROLL CALL

Motion by Mr. Marsh, seconded by Mr. Welka, to approve the minutes of the October 26, 2017 Regular Business Meeting. Vote 4/0 10/26/17 MINUTES

Motion by Mr. Welka, seconded by Mr. Marsh, to approve the Treasurer's Report as submitted to and reviewed by all Board members. Vote 4/0 TREASURER'S REPORT

Motion by Mr. Welka, seconded by Mr. Marsh, to approve the Expenditure Report as submitted to and reviewed by all Board members. Vote 4/0 EXPENDITURES

RESIDENT TO BE HEARD

Mr. Kevin Ingraham (8905 Honeysuckle Drive) expressed concern about part of the explanation provided for the September 2017 rate increase in the 3Q 2017 Summit Township Newsletter. The newsletter reported that commercial revenue is down, but Mr. Ingraham took exception to that claim because there is visible new development in the Peach Street corridor; Mr. Ingraham is concerned that the residents are paying more than a fair share for system improvements for the benefit commercial of development; then, the residents have to pay a higher rate when the commercial revenue is down. Manager Steff explained that the decrease in commercial revenue was only one component of the analysis that went into the recommendation for a rate increase. Manager Steff explained the rate structure and that the Authority is obligated to apply any rate increase uniformly to the rate classes. Mr. Ingraham is specifically concerned that residents shouldered too much of the cost for the Route 97 Lift Station. Chairman Fette responded that 1/3 of the project cost for the Route 97 Lift Station was funded by a grant from S.T.I.E.D.A. Chairman Fette added that commercial/industrial revenue was 63% of the Authority's revenue from sewer usage in Fiscal Year 2016-2017, therefore the commercial customers are paying the larger share of the total system costs. Mr. Ingraham referenced the \$7,500 tap-in fee that the Sewer Authority has assessed newly connecting residences in recent projects; Mr. Ingraham stated that this fee is overly burdensome for fixed-income residents that don't need sewer. Mr. Marsh pointed out that many residents don't think they need sewer until they try to sell their homes and their septic systems fail. Mr. Marsh added that at any time a high failure rate in an area could trigger a DEP mandate, so the Authority tries to stay ahead by planning and pursuing grants to keep the connection costs down for residents. Mr. Welka offered the South Hill Road Project (2007) as an example, that project began when extending sewer to Ponderosa Drive was mandated by DEP due INGRAHAM
(8905 Honeysuckle)

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to high septic system failure rates reported by the Erie County Department of Health. Manager Steff elaborated that the project cost \$1.8M and the approximately 100 residents could have been assessed \$18,000 each; the Authority successfully pursued an EPA grant, the residents paid \$7,500 and the Authority paid for the rest of the project. Mr. Ingraham stated that he is primarily concerned with the Route 97 Lift Station; it appears that the only reason the lift station was built was to accommodate the casino and race track, not for the benefit of residents. Mr. Welka responded that the two largest sewer customers are Presque Isle Downs and the landfill, both are upstream from the Route 97 Lift Station. Manager Steff stated that the Route 97 Lift Station Project was a much needed and long planned upgrade to the aging infrastructure in the Route 97 corridor. Manager Steff added that even if there was no new development in the Township, over time the current system would still need to be maintained, repaired and periodically updated.

INGRAHAM
(8905 Honeysuckle)
Cont.

Mr. Ingraham asked for clarification of the additional fees regarding electronic payment as described in the 4Q 2017 Township Newsletter. Administrative Supervisor Haener-Schwab explained that the fees only apply to customers using the electronic payment service provided by the Authority via our third party service, Payment Service Network. Customers are using this service when they pay through the link on the Township website or when they pay by phone. This service is offered in response to many customers requesting to pay by credit card. Payment Service Network also offers an eCheck service for \$1.00, which is a direct debit to the customer's checking or savings account originated by Payment Service Network. There is still no fee for customers who pay through their personal online banking, mail a check to the Authority office, or pay in person by check or cash.

Mr. Ingraham cited his past experience working for National Fuel for many years prior to retirement and proposed that future projects should be coordinated with other utilities to lower the project costs for the residents. Mr. Welka responded that the Authority does try to stay informed about other utility projects that are being planned, but there are many obstacles to executing a joint project. Discussion ensued regarding easements, utility spacing, and varying utility regulations.

Mr. Ingraham thanked the Board and left the meeting at 9:26 a.m.

SOLICITOR'S REPORT

Solicitor Joseph reports that the Alexander Settlement Agreement for the delinquent balance due at 1536 Robison Road is on file but has not been recorded. The instrument is written to be recorded in the event of a default.

ALEXANDER
SETTLEMENT
AGREEMENT

Solicitor Joseph reports that The Smiths of 8535 Oliver Road are not current on their Chapter 13 post-petition account with the Authority nor are they making payments to their pre-petition trustee. Solicitor Joseph advised that although the Authority has the right on act on post-petition debt, once the bankruptcy is dismissed, the Authority can begin collection action on the entire balance due on the account.

SMITH
BANKRUPTCY
(8535 OLIVER)

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Solicitor Joseph presented a resolution for Board approval to amend the articles to extend the life of the Authority for another 50 years. Once approved by the Authority, the Supervisors must also pass a resolution. Following that, there must be a legal advertisement to advise residents that we intend to file with the Commonwealth. The articles are then submitted to the Secretary of Commonwealth. The original Articles were approved on June 4, 1968 and filed with the department state on August 14, 1968. The resolution, subject to the approval of the Township Supervisors, is to amend Paragraph (f) of the Articles of Incorporation to read as follows: the term of the existence of the Authority shall be increased to a date which is fifty years from the date of the approval of the Articles of Amendment by the Secretary of the Commonwealth of Pennsylvania.

EXTEND THE LIFE
OF THE
AUTHORITY

Motion by Mr. Marsh, seconded by Mr. C. Rose, to adopt a resolution to extend the life of the Sewer Authority by Fifty (50) Years. Vote 4/0.

RESOLUTION

Solicitor Joseph reports that this past month the Authority has satisfied the liens for the delinquent accounts of Gigic (8078 Shady Ave) and Motley (2692 Shelby), as they were both paid in full. Solicitor Joseph noted that the Water Shut-Off policy is working.

LIENS SATISFIED

ENGINEER'S REPORT

Engineer Fails reports that regarding the 2016 Project to extend sewer on Hamot, Hershey, and Edinboro Roads, aerial shots for mapping are in progress.

2016 PROJECT

Engineer Fails reports that the New Road Wetlands Mitigation Project was measured and found to be under the size stipulated in the contract. At the Wasielewski site, some minor changes were made. The measurements were close, but some correction is needed. Correction is also required at the New Road Lift Station site. Engineer Fails reminded the Board that the contract was written with some buffer for the square footage mandated in the COA, in consideration of the five year monitoring period. The contractor will need to go back out to the site and undertake corrective measures, however the contract is out of time. At the December meeting, Engineer Fails will present a change order to the Board to extend the contract into next spring.

NEW ROAD
WETLANDS
MITIGATION
PROJECT

Engineer Fails reports that flow data from the Route 97 Lift Station has prompted expedited retention planning. Engineer Fails deferred the topic to Manager Steff's report for further discussion.

RT 97 LIFT
STATION DATA

Engineer Fails distributed the Act 57 Schedule of Fees to all Board Members. The Board will review the report to discuss at the December Meeting.

UPDATED ACT 57

Solicitor Joseph left the meeting at 9:39 a.m.

MANAGER'S REPORT

Manager Steff presented the Proposed 2018 Capital Plan for Board information and consideration. Discussion ensued regarding the estimated 10 year cash flow and future proposed projects.

CAPITAL PLAN
PRESENTATION

Mr. C. Rose left the meeting at 10:17 a.m.

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Manager Steff prepared a letter for Chairman Fette to sign congratulating Mr. Tony Davis on winning the Summit Township Supervisor Election and inviting him to visit the Authority for a tour, review of the loan agreement and to overview ongoing projects.

APPROVE
DAVIS LETTER

Motion by Mr. Marsh, seconded by Mr. Welka, to send a congratulatory letter to Mr. Davis, signed by Chairman Fette. Vote 3/0.

MARSH
REAPPOINTMENT

Manager Steff reports that Secretary Laban Marsh's appointment to the Sewer Authority Board expires on December 31, 2017. Mr. Marsh has informed the Authority that he is willing to serve another five-year term. Manager Steff has prepared a letter to the Summit Township Supervisors recommending Mr. Marsh's reappointment.

Motion by Mr. Welka, seconded by Mr. Fette, to send a letter to the Summit Township Supervisors recommending Mr. Marsh's reappointment to the Sewer Authority Board. Vote 3/0.

APPROVE
REAPPOINTMENT
LETTER

Manager Steff reports that he has consulted with Health Insurance Broker, Richard Vicary, to recommend a revision to the Personnel Code regarding the introductory period for benefits. To stay in compliance with the Affordable Care Act, Mr. Vicary recommends that enrollment in health insurance benefits should start after 60 days. Otherwise, the Authority runs the risk of not having the employee enrolled on the 90th day, which would be a violation of the ACA. Solicitor Joseph suggested an additional paragraph should be added following Article XIII (Introductory Period). Manager Steff read the paragraph into the record: "The introductory period of ninety days is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the position meets their expectations. STSA uses this period to evaluate employee capabilities, work habits, and overall performance. Either the Employee or STSA may end the employment relationship at will at any time during or after the introductory period, with or without cause. During the introductory period, the Employee shall be ineligible for participation in the Authority-provided employee benefit programs, unless a different period is provided herein or required by applicable law."

UPDATE
PERSONNEL CODE

Motion by Mr. Marsh, seconded by Mr. Welka, to change the Personnel Code by adding the paragraph as read by Manager Steff. Vote 3/0.

APPROVE
PERSONNEL CODE
UPDATE

Manager Steff recommends that the Board enter into a Sanitary Sewer Right-of-Way Agreement with Amerco Real Estate Company for the purposes of relocating the gravity sanitary sewer along Downs Drive regarding the U-Haul Project. Discussion ensued. Mr. Welka expressed concern about the depth and grade of the sewer line. Manager Steff responded that the plans submitted were for the minimum allowable depth and grade, however, there is not expected to be further development on the line other than the U-Haul storage facility.

DOWNS DRIVE
RIGHT-OF-WAY

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Motion by Mr. Marsh, seconded by Mr. Welka, to enter into the Sanitary Sewer Right-of-Way Agreement with Amerco Real Estate Company along Downs Drive regarding the U-Haul Project. Vote 3/0.

APPROVE DOWNS
DRIVE RIGHT-OF-
WAY

NEW BUSINESS

None.

With no further business to come before the Board, Mr. Marsh motioned to adjourn, seconded by Mr. Welka. Vote 3/0

ADJOURNMENT

Chairman Fette adjourned the meeting at 11:21 a.m.

Respectfully submitted by,

Caitlyn Haener-Schwab
Administrative Supervisor