

**MINUTES OF THE REGULAR MEETING
OF THE MEMBERS OF
SWATARA TOWNSHIP AUTHORITY**

The regular monthly meeting of the Swatara Township Authority was held on September 20, 2023, at 6:00 P.M. The following members were present: Johnson (Chairman), Werner, Mancuso, Cichy, Castellano, Lawson, Belles, Fleming, and Roberts. Also present were Moppin (Chief Operator), Varner (Foreman & Maint. Manager), Blackman (Executive Coordinator), Schober (*ARRO Consulting, Inc.*), and Coccorese (*Salzmann Hughes, PC*).

Chairman Johnson called the meeting to order at 6:01 P.M. followed by the Pledge of Allegiance.

Chairman Johnson entertained a motion to accept and approve the minutes of the August 30, 2023, Board Meeting.

Mr. Werner motioned to approve the minutes as presented and Ms. Mancuso seconded the motion. Mr. Cichy abstained, as he was not present at last month's meeting. With no no-votes and no other abstentions, the motion carried.

Chairman Johnson yielded the floor to Mr. Belles, Audit & Budget Committee Chairman.

Mr. Belles welcomed Mr. Wildasin and Ms. Gipe of *Boyer & Ritter, LLC*, the Authority's Auditors. Mr. Belles stated that the Auditors will be making a presentation to the Board to provide a brief overview of the FY 2022 Audit. Mr. Belles stated that he wanted to note that the Authority's Stakeholders are due a refund after the reconciliation due to budgeting for staff and commensurate benefits, which staff were mostly not hired until later in FY 2022 or in FY 2023. Mr. Belles noted that \$62,907.00 is due back to the *Borough of Hummelstown*, \$255,809.00 to *Lower Paxton Township*, and \$151,505.00 to *Swatara Township Authority*.

Mr. Belles also stated that since the Stakeholders have all agreed to re-establish *The Reserve Fund*, which is 10% of the current FY 2023 operating budget, the Authority will be offering to take the 10% from what is owed back to the Stakeholders for FY 2022. Mr. Belles stated that this will still result in the Stakeholders receiving something back in the form of a refund.

Mr. Belles noted that the budget to actual gap is narrowing as the Authority is doing better by budgeting and planning going into FY 2024.

Mr. Belles also stated that the Auditors, at the request of the Authority, will be looking into whether the information received this year is better than in previous years.

Mr. Belles noted that the Auditors recommended the Audit & Budget Committee review any billing adjustments quarterly, as a check and balance to the process.

Mr. Belles also stated that the Authority will be using *Boyer & Ritter, LLC* to manage the asset management software.

Mr. Belles proceeded to discuss whether the Authority wanted to contribute \$125,000.00 MMO contribution moving forward for 2024. Mr. Belles stated that the pension fund is currently overfunded by about \$2,000,000.00 and would like to discuss if the Board would like to contribute to the fund this year. Mr. Belles yielded the floor to the Auditors to make their presentation to the Board.

Mr. Wildasin introduced himself and Ms. Gipe and proceeded to provide the Board with an overview of how they conducted the Authority's audit. Mr. Wildasin provided the Board with the draft financial statements. Mr. Wildasin stated that the first report provides the Authority with the Auditor's opinion, which is a clean opinion, and noted that it is the best opinion you can receive on the Financial Statements. Mr. Wildasin proceeded to discuss the statements provided and highlighted a few key components of the statements. Mr. Wildasin discussed the Authority's pension plan and noted that statements are a year behind and reflective of the 2021 year. Ms. Gipe stated that the 2022 information is not available yet from *PMRS*. Chairman Johnson asked when the reports are usually released. Ms. Gipe stated that the *PMRS* website notes that it is to be out by the beginning of the year, but she is not aware of any clients that have received them.

Mr. Wildasin proceeded to discuss the Treatment Plant portion of the Financial Statements that are consistent with the IMA. Mr. Wildasin noted that a clean opinion has been issued as well for the statements and highlighted a few key components of the statements. Mr. Wildasin also discussed the reconciliation regarding the pro rata shares of the Stakeholders. Mr. Wildasin stated that reconciliation results in overage and any overages are subject to a return to the Authority's Stakeholders.

Mr. Wildasin opened the floor to the Board for questions.

Ms. Mancuso asked the Auditors where the miscellaneous income on page 5 of the statements generated from. Ms. Gipe stated she had emailed Ms. Blackman the answer to that question, as it was brought up during the meeting with the Audit & Budget Committee on September 11, 2023. Ms. Blackman read the email that Ms. Gipe had sent to her on September 12, 2023.

Ms. Castellano discussed the adjustments that were being made for accounts that the Auditors were not privy to and noting that the adjustments were done prior the invoices going out. Ms. Castellano also stated that adjustments are not currently being made without higher level review.

Mr. Belles stated the Audit & Budget Committee recommends that the Board approve the FY 2022 Audit as presented by *Boyer & Ritter, LLC*.

Ms. Castellano asked *Boyer & Ritter, LLC* to provide the Board with their recommendation regarding the MMO contribution to the Authority's *PMRS* plan for FY 2024. Mr. Wildasin stated that the Authority has a good amount in the fund but determining the right amount is not easy. Mr. Wildasin stated that it is hard to tell where the market is headed. Mr. Wildasin suggested that if the Authority decides to stop contributing or stop contributing for a year, it should revisit the decision every year.

Mr. Belles noted that the things to consider are that the numbers are two years old, how the market is currently doing, as well as how many retirees the Authority has coming up that could impact things.

Mr. Wildasin stated that the GASB report implemented pension standards which require that you start laying out more information and it gives the last eight years of financial information relating to the Authority's pension plan. Mr. Wildasin stated that it will be able to tell you what they are expecting to happen, where that number is looking to go, and the impact on the market/investment side of things and use it to help guide you.

Ms. Castellano discussed the asset management and verified that *Boyer & Ritter LLC* will be handling the task, but the Authority will be able to obtain reports if needed. Mr. Wildasin confirmed that they will provide access to anyone the Authority would like, and they would also be able to provide training.

Ms. Castellano stated that her recommendation to the Board is to have the Reserve Fund be a separate fund and asked for *Boyer & Ritter, LLC* input. Mr. Wildasin stated that it should be in a separate bank account that can be tracked based on the Stakeholders' contributions and having it as a separate account would be advisable.

Mr. Fleming motioned to accept the recommendation of the Audit & budget Committee to approve the FY2022 Audit, as presented by *Boyer & Ritter, LLC* and Mr. Cichy seconded. Ms. Castellano abstained, as she is the Executive Director. Mr. Robert abstained as well. With no no-votes and no other abstentions, the motion carried.

Chairman Johnson and the Board thanked Mr. Wildasin and Ms. Gipe of *Boyer & Ritter, LLC* for meeting with the Board.

Mr. Wildasin and Ms. Gipe exited the meeting at 6:36 p.m.

Ms. Castellano presented the Executive Director's Report.

Mr. Cichy noted that there was no update on the McNaughton project but some of his colleague's received information from the McNaughton company and their attorney regarding properties within *Lower Swatara*. Ms. Castellano said yes, as she had discussed this earlier with Mr. Cichy.

Mr. Cichy also discussed the stream that is shown on the drawings and wanted to make sure that Swatara would have access to that stream area. Mr. Varner stated that there currently is a plan to have access to that road.

Ms. Castellano opened the floor to questions from the Board regarding items in her report.

With no additional questions, Ms. Castellano yielded the floor to Mr. Belles to discuss the recommendations from the meeting held on September 11, 2023.

Mr. Belles discussed the joint meeting held on September 11, 2023, between the Audit & Budget Committee and Rates/Rules/Regulations Committee to discuss delinquent accounts and options to present to the Board. Mr. Belles discussed the options before the Board.

Accounts: Delinquency 2017 Or Prior

- These accounts were pulled back from Modern Recovery Systems on/about December 2022.
- Executive Director and Solicitor draft letter (dated on/about October 15th), stating that due to serious delinquency on the account(s), the lien process will be instituted against the listed property 30 days from the date of the letter if payment is not received in full. *This is giving essentially a 30-day notice of the proposed lien filing.
- The letter will also mention that within 10 days from the date of the letter, a 10-day water shut-off notice will be posted on the property if payment is not received in full. *This is giving essentially a 20-day notice of a potential water shut-off.
- Payment can be accepted by cashier's check or credit card [need to work with the IT folks on this].

Accounts: Delinquency 2018-2022

- These accounts were pulled back from Modern Recovery Systems on/about December 2022 OR remanded to the Authority by the collection agency by the close of the first quarter of 2023.
- Executive Director and Solicitor draft letter (dated on/about October 15th), stating that due to serious delinquency on the account(s), there exists a possibility of the lien process being instituted if a payment plan is not agreed-to within 60 days of the date of the letter. *This is giving essentially a 60-day notice of the proposed lien filing.
- The letter will also mention that, if no payment plan is agreed-to within 60 days of the date of the letter, then a 10-day water shut-off notice will be posted on the property. *This is essentially giving a 70-day notice of a potential water shut-off.

Accounts: Delinquency Since January 1, 2023

- Establish a threshold for filing a lien: Five (5) quarters delinquency or \$2,000.00 balance, whichever comes first.
- Executive Director and Solicitor draft letter, which is mailed at the five-quarter delinquency mark and states that due to delinquency on the account(s), there exists the possibility of the lien process being instituted [as outlined above in the recommendation].
- Establish a threshold for water shut-off postings: Eight (8) quarters delinquency.
- The letter mentioned above in Bullet #2 will also state that, after eight quarters of delinquency, the water shut-off process will be instituted.
- Question: How to inform customers/initiate the process...

Payment Plans

- A legal contract must be signed between the property owner(s) and the Authority. Will require notarization of property owner(s) signature, on property owner's time and expense; Authority signature (Executive Director or Board Officer) will not require authorization.
- Any property owner entering a delinquency payment plan will have the delinquency amount frozen – that is, so long as payments are made in a timely manner, no further fees will be assessed to the delinquency.
- Any property owner entering a delinquency payment plan will have a sub-account carrying the current property balance. This account must be kept current for the delinquency payment plan to remain in effect.
- Payment plans must have a minimum monthly payment of \$100.00.
- Payment plans will have a monthly 1.5% administrative fee [of the balance at the time] placed upon them.

- Should a property owner default on the payment plan established, a one-time appeal may be requested of the Authority Board via the Financial Review Committee. Otherwise OR upon a second default, the lien and water shut-off processes will be instituted, and fees will begin to accrue on the delinquency balance.

Mr. Cichy asked how the administrative fee would be calculated. Ms. Castellano stated that it would be incurred on a monthly basis.

Chairman Johnson asked about the properties taken by *PennDOT*. Ms. Castellano and Ms. Blackman both confirmed that there are a huge number of properties that have been taken that are past due. Chairman Johnson stated that it might be in the Authority's best interest to put a lien on those properties as soon as possible. Ms. Castellano clarified that Chairman Johnson meant if they were any properties that had a past due amount due prior to being taken. Ms. Blackman said no, they were not.

Ms. Mancuso asked what the legal cost would be to file liens. Mr. Coccorese stated that he would research that information and provide it to the Board. Mr. Coccorese stated that there is a minimum fee to file a lien and the fee is recoverable as it would be part of the balance due from the customer.

Mr. Coccorese stated filing a lien is a simple process, it only gets complicated if the Authority chooses to force the homeowner to sell.

Ms. Castellano stated that if the Board acts on the recommendation tonight they could get started and have it rolled out by mid-October.

Ms. Mancuso motioned to accept the following recommendation of the joint meeting of the Audit & Budget Committee and the Rates/Rules/Regulations Committee to authorize Executive Director and Solicitor to institute the lien process for accounts with delinquency from the year 2017 and prior and Mr. Belles seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Mr. Werner motioned to accept the following recommendation of the joint meeting of the Audit & Budget Committee and the Rates/Rules/Regulations Committee to authorize Executive Director and Solicitor to create a 60-day notification letter to accounts with a delinquency from the years 2018 to 2022, advising the account holders to contact the Authority to establish a payment plan; and if a payment plan is not established, notifying the lien process will be instituted and Mr. Roberts seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Mr. Belles motioned to accept the following recommendation of the joint meeting of the Audit & Budget Committee and the Rates/Rules/Regulations Committee to establish a threshold for the Authority filing liens, in that liens will be filed after five quarters of delinquency or a \$2,000.00 outstanding account balance, whichever comes first, and Mr. Cichy seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Mr. Werner motioned to accept the following recommendation of the joint meeting of the Audit & Budget Committee and the Rates/Rules/Regulations Committee to authorize Executive

Director and Solicitor to create a letter, sent to account holders after three quarters of delinquency, advising that the account should be brought current as soon as possible; and furthermore that a lien process will be instituted after five quarters of delinquency or a \$2,000.00 outstanding account balance, whichever comes first, and that the property is subject to water shut-off tagging and Mr. Cichy seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Ms. Mancuso motioned to accept the following recommendation of the joint meeting of the Audit & Budget Committee and the Rates/Rules/Regulations Committee to authorize Executive Director and Solicitor to create a letter, and staff to issue as needed, a violation notice with potential fines and penalties to be assessed for violations of the RRRs and Mr. Belles seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Ms. Castellano stated that once the payment plans are institutionalized the *MRS* fees will need to be removed and it will look like a loss to the Authority on the books, but the Authority would actually recover revenue. Mr. Belles asked if there could be separate accounts in the system. Ms. Blackman stated that it would be possible to create separate accounts in the system.

Ms. Castellano asked the Board if they had any questions regarding the draft FY 2024 budget.

Mr. Cichy noted that the maintenance contract budget is lower for 2024 than in 2023 and asked why that was. Mr. Varner stated that it is because of less televising being done, and the Authority will have minimal work being done by *EK Services*.

Ms. Mancuso stated that last year she voted not to fund the MMO but this year she would suggest that the Authority fund the account in the amount of \$125,000.00. Mr. Werner stated that he believes the amount has probably dropped due to the financial markets and he agrees that the Authority should fund the account in the amount of \$125,000.00. Mr. Coccorese stated that he suspects the balance has declined as the number does not reflect anything that has happened in the last year. Mr. Coccorese also stated that *PMRS* will be sending the official MMO figures, and he does not expect that the Authority will need to put in more than that for next year and if the numbers come in for next year and it is not as big of a dip, then the Authority can choose not to contribute as much as \$125,000.00 the following year.

Mr. Belles motioned to continue funding the MMO in the amount of \$125,000.00 for FY2024 and Mr. Werner seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Ms. Mancuso motioned to accept the Audit & Budget Committee recommendation to approve the Preliminary FY2024 Authority Budget and Mr. Belles seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Ms. Castellano noted that historically approving the Preliminary Budget for the upcoming fiscal year did not occur until December and according to the IMA, the Stakeholders are to have the official budget in October. Ms. Castellano stated that providing them with a Preliminary Budget in October would give them preliminary figures as well. Ms. Castellano stated she will also be letting the Stakeholders know that they will be receiving money back for 2022.

Ms. Mancuso motioned to authorize the Executive Director and Solicitor to share the FY2022 Audit & the FY2024 Preliminary Budget in the coming weeks with the Authority Stakeholders and Mr. Werner seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Mr. Belles motioned to retroactively approve the waiving of the tapping fees for the properties located at 801 Mohn St and 801 Mohn St Rear, due to the extenuating circumstances and collaboration with *Swatara Township, Dauphin County, and PennDOT* and Mr. Roberts seconded. Ms. Castellano abstained, as she is the Executive Director, and Mr. Cichy abstained. With no no-votes and no other abstentions, the motion carried.

Chairman Johnson asked Mr. Moppin to provide a bit of information on the Mud Valve purchase up for approval. Mr. Moppin stated that it is a valve to drain the content of a tank and the current valve is not operating correctly.

Mr. Belles motioned to authorize the use of budgeted funds to purchase a Mud Valve w/Extension Rod from *L/B Water Service, Inc.* for \$1,213.40 and Mr. Werner seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Chairman Johnson asked Mr. Varner if the nozzle up for approval is for the new truck. Mr. Varner stated that it is for the new Jet Flush Truck. Mr. Varner stated that *A&H Equipment* performed a demo using the nozzle that came with the truck and other nozzles, and the nozzle that came with the truck cracked the demo pipe and it is not working properly.

Mr. Roberts motioned to authorize the use of budgeted funds to purchase the Reaper Revolution Nozzle from *A&H Equipment* in the amount of \$3,843.25 and Mr. Lawson seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Mr. Cichy motioned to approve the payment of the neutral arbitrator's fees for *AFSCME* grievance arbitration and Ms. Mancuso seconded. Ms. Castellano abstained, as she is the Executive Director. With no no-votes and no other abstentions, the motion carried.

Chairman Johnson opened the floor to Mr. Varner and Mr. Moppin to see if there is anything they would like to discuss.

Mr. Moppin stated that he is currently working on locating the centrifuge from another source to be able to provide the Board with multiple quotes.

Mr. Schober presented the Engineer's report.

Mr. Schober stated that the *CRW* meeting scheduled for next week is to review the proposal *Lower Paxton Township* received from the Rate Consultant to review *CRW* wholesale rates, and how *CRW* charges other ratepayers.

Mr. Schober also stated that the Biosolids Dryer Replacement Project is getting closer to installation cost and the goal is to have it to the Board by the October Board Meeting.

Mr. Schober noted that the water quality application has been submitted electronically.

Mr. Schober also stated that the PS Generators plans, and specifications are ready for advertising and are currently looking for the status on the easement issue. Mr. Coccorese stated that he will look into it with staff and provide a status update asap.

Mr. Belles asked if the nutrient credits will be impacted with the dryer being down. Mr. Schober stated that the credits come from the effluent flow leaving the plant.

Chairman Johnson discussed the "Trunk or Treat" event that *Swatara Township* is hosting and asked the Board Members if anyone would be available to represent the Authority. Mr. Roberts stated that he is available, and Mr. Werner stated that he could assist as well.

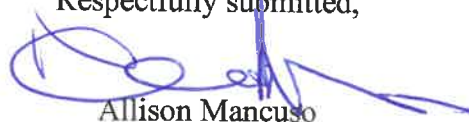
Chairman Johnson adjourned the regular meeting at 7:21 P.M. to go into Executive Session to discuss personnel and legal issues.

Chairman Johnson reconvened the regular meeting at 8:30 P.M.

Chairman Johnson entertained a motion to adjourn the meeting. Ms. Mancuso made the motion and Mr. Roberts seconded. With no no-votes and no abstentions; the motion carried.

Chairman Johnson adjourned the meeting at 8:31 P.M.

Respectfully submitted,



Allison Mancuso
Treasurer