

**STEELTON WATER AUTHORITY MEETING**  
**March 13, 2017**

**Present:**

Alan Ausman, President  
Tom Acri  
Kathy Handley  
Ryan Maxwell  
Michael Segina

Michael Solomon, Solicitor  
Edward Ellinger, Engineer, HRG  
Brian Handley  
Mark Handley  
Douglas Brown, Borough Manager/Secretary  
Thommie Leggett-Robinson, Exec. Assistant

**Call Meeting to Order:**

Chairman Ausman called the meeting to order at 5:00 p.m.

**Pledge of Allegiance:**

Chairman Ausman led the body in the Pledge of Allegiance.

**Approval of Minutes of February 16, 2017 Meeting:**

Mr. Acri moved and Mr. Segina seconded the motion that the minutes of the February 16, 2017 Authority meeting be approved as written. The motion was passed by a unanimous vote of the Authority.

**Approval of the Treasurer's Report:**

Mr. Brown explained that things were going well. The largest expense was payroll this month. Ms. Hadley asked about reimbursement for monies paid out on the tank. Mr. Brown explained that we will be reimbursed from PENNVEST for those funds and reported that the Borough has already received payment #1. Ms. Maxwell requested an explanation of the items listed on the Financial Report. Mr. Brown reviewed and explained the line items on the report. Ms. Handley moved and Mr. Acri seconded the motion that the Treasurer's Report for February 2017 be accepted as presented. The motion was carried by a unanimous vote of the Authority.

**Public Comment on Agenda Items Only:**

There were no public comments offered at this meeting.

**Correspondence:**

Sunoco Pipeline sent a notification of construction of the proposed pipeline. The construction will go through the lower end of Highspire and go across the river south of the Borough. The Borough will experience no impact from the project.

## New Business:

Engineers Report – Mr. Ellinger presented the Engineer’s Report with the following points and responses:

- Clearwell Project, the Geopiers were installed. Tank construction is scheduled to begin next week. The Borough received the first disbursement of \$258,000.00 from PENNVEST.
- Mulberry and Bessemer Project should be completed in April 2017. The 2017 project is being discussed so that movement can begin and that the project can be completed within the grant timing. Phase II is looking at the distribution system to see what modifications need to be made. The largest issue is the source water plant. Tier III is the operational plant to optimize the treatment system. A team of experts has been assembled to assist in review the operation of the plant to determine if there are some things that can be done to make the plant more effective and efficient. In order to consolidate the contractual agreements, HRG request approval to serve as administrator of the \$41,500.00 project which includes the cost of administration and payment for contractors. Mr. Acri asked if the project was a budgeted item and Mr. Ellinger responded in the affirmative. Mr. Segina asked about the timeframe of the project. The response was technically the project could be completed in a couple of months, however, it would be advantageous for the project to stretch over the various weather patterns to ensure the project will work through all seasons. Also the installation of the new tank will call for new skills and understanding of how to work the new system. Time for staff to become familiar with the new system should be considered in the development of the timeframe for completion of the project.
- Mr. Acri moved and Ms. Handley seconded the motion that the Engineering Report be accepted as reported.
- Mr. Ausman asked if the payment authorization given to Mr. Brown was working smoothly. Mr. Brown reported that it had not been used. There has been a request for payment for the additional excavation required because of the unexpected finding of cement and building materials beneath the surface of the area being prepared for construction of the new tank. No dollar figure has been provided.
- Ms. Maxwell asked the difference between the current contractor and the second lowest bid is about \$ 600,000.00. ***The report was accepted by unanimous vote of the Authority.***
- Mr. Acri moved and Ms. Maxwell seconded the motion that the request by HRG for approval to administer the Optimization Study for a cost of \$ 41,500.00 be granted. Mr. Segina asked if the requested payment would cover the cost of the review over an extended period of time. Mr. Ellinger responded that the requested funds would cover the project barring any unexpected problems. ***The motion to appoint HRG the administrator of the project was passed by the unanimous vote of the Authority.***

Solicitor Solomon introduced the Memorandum of Understanding with UGI Energy Services for construction of a LPG and LNG facilities. Phase I will be the construction of the LNG facility

which requires 2,000 gallons per minutes for a minimum of 70 pounds per square inch for a minimum duration of two hours. Our existing facilities, with some upgrading of equipment, can service that requirement. The MOU for Phase I of the project is being presented for approval of the Authority. In order to provide the service, the installation of a 20 inch diameter main extended to a designated connection point terminating at an existing 16 inch diameter main adjacent to the treatment plant is required. The cost and design of Phase I will be conducted as follows: Capital Regional Water is totally responsible for the Feasibility Study for Phase I and Phase II; UGI is totally responsible for the design and construction of the facility; UGI will setup a \$ 26, 800 escrow fund to cover administrative, legal and engineering and other fees; the Borough agrees to provide water services upon completion of the construction; the Borough's Engineers will be included in the inspection of the project during and following construction. Phase I of the project is expected to be completed by September 2017. Phase I of the project will be completed at no cost to the Authority. Mr. Ausman requested further explanation of the feasibility study. The response was that another feasibility study will be conducted for Phase II. Mr. Segina requested clarification about an easement and the response was that it would be included in Phase II of the project. Representatives from the involved parties were present at the meeting. They were: Tom Ryan from UGI, Greg Squire and LBG, Sandeep Kurp, Project Manager from UGI. Mr. Ryan stated that they were looking for 75 pounds, not 70 pounds as indicated and Phase I of construction will bring a water supply to the new LNG site and the existing LPG site as part of Phase I. Mr. Acri asked if we currently had a connection to the LPG site. The response was that that there was a small six inch pipe. Mr. Ausman asked if the clarifications made by UGI would require changes in the MOU. The response was the MOU be accepted as amended. The amendment will be reviewed by the other parties and a response made within the next few days. Mr. Kurp requested clarification regarding the process to be followed at this point. The response was that the design should be completed, reviewed by HRG and construction will begin after the design is approved. It was also stated that Phase II requirements will be determined at that time. Mr. Segina moved and Ms. Maxwell seconded the motion to approve the MOU as finalized by the Solicitor and Engineer to be executed by the Secretary. The motion was passed by a unanimous vote of the Authority.

Mr. Solomon explained that with the MOU in place, a new category of meter size is needed. Mr. Solomon requested approval of what would be Resolution 2017-AR-01 amending the rates, rules and regulations of Section 2 and Section 2.02 by adding a new 20 inch meter size category at the rate of \$ 4,349.78. This rate was calculated from existing rates for tracts of that size. Mr. Acri moved and Ms. Handley seconded a motion that Resolution 2017-AR-01 be approved. The motion was passed by a unanimous vote of the Authority.

Mark Handley requested authorization to approve a maximum cost of \$14,000 to repair the Emerson VFD, although the cost will be approximately \$5,000-\$6,000. Mr. Ausman noted that the cost of one unit would be approximately \$ 30, 000-\$50,000 and we have two units at this time. Mr. Handley noted that multiple repairs have been made to both units during the years with at least one unit repaired annually. The company explained that it was not the same issue each time repair is needed. Mr. Acri suggested that perhaps the replacement of at least one unit could be placed in the 2018 budget in order to eliminate the cost of repair. Mr. Handley

stated that some of the needed repair has been covered under warranty, so payment has not been required on each repair. The problems come from the environment where the units are placed. Options to elevate the problem have been discussed however, to date, no solution has been found. Mr. Ausman asked if there was anything that can be done considering that it appears that there are some product issues that have never been satisfied. Mr. Brown stated that Mr. Solomon needs to review the situation to determine if the Authority has any recourse at this time. Mr. Segina remarked that the ventilation problem existed when the units were installed and that issue should have been addressed at that time. It is noted that if the Authority did not take action within the first year of installation, it might be difficult to approach the company with action. Mr. Handley stated that there were several meetings held with Constellation regarding problems and documentation of those meetings need to be located. Mr. Brown indicated that he would review his records to determine if the documentation is available. Ms. Maxwell noted that the total of the quote was \$14,210.00, not \$14,000.00 as discussed. Mr. Acri moved and Mr. Segina seconded a motion to authorize Mr. Handley to arrange repair of the Emerson VFD at a cost of \$14,210.00. The Authority passed the motion with a unanimous vote. Mr. Brown stated that he has really been trying to work with the Constellation to resolve the issues that have been raised. Mr. Ausman asked if Mike Musser would be able to assist with this matter. Mr. Brown stated that he would check with him.

**Public Comment:**

There were no public comments.

At 5:58 p.m., Mr. Acri moved and Ms. Maxwell seconded the motion that the Authority move into Executive Session to address personnel issues. The motion carried with a unanimous vote of the Board.

Following the Executive Session the Board reconvened. Ms. Maxwell moved and Ms. Handley seconded the motion that the Steelton Water Authority Meeting be adjourned. With a unanimous vote of the Board, the meeting was adjourned at 6:20 p.m.



Respectfully Submitted,  
Douglas Brown Borough Manager/Secretary