

**STEELTON BOROUGH AUTHORITY
REORGANIZATION MEETING
January 9, 2017
AGENDA**

CALL MEETING TO ORDER: Thomas F. Acri

PLEDGE OF ALLEGIANCE: Thomas F. Acri

RECOGNITION OF AUTHORITY MEMBERS:

Thomas Acri
Kathy Handley
Al Ausman
Michael Segina

NOMINATIONS AND/OR APPOINTMENTS: (It will be necessary to elect 3 officers, and to confirm the appointment of the identified professionals)

CHAIRMAN

VICE-CHAIRMAN

TREASURER

SECRETARY Douglas E. Brown

SOLICITOR Michael L. Solomon, Cohen Seglias Pallas
Greenhall & Furman, PC

BANKRUPTCY ATTORNEY Mark S. Stewart, Eckert Seamans

PUC/ENVIRONMENTAL Timothy J. Horstmann, McNeese, Wallace & Nurick,
ATTORNEY LLC

BOND COUNSEL Donna L. Kreiser, McNeese, Wallace & Nurick, LLC

ENGINEER Herbert, Rowland & Grubic, Inc.

AUDITOR Zelenkofske Axelrod (ZA)

PUBLIC COMMENT ON AGENDA ITEMS ONLY:

APPROVAL OF MINUTES FROM PREVIOUS MEETING: December 12, 2016

APPROVAL OF THE TREASURER'S REPORT: December 2016

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COMMUNICATIONS:

UNFINISHED BUSINESS:

EXECUTIVE SESSION: For purposes of discussing litigation and/or personnel issues.

NEW BUSINESS:

Ed Ellinger

Engineer's Report

Mr. Solomon/Ms. Kreiser

PENNVEST Financing
Closeout Items

Mr. Brown

Candidates for Water
Authority Vacancy

PUBLIC COMMENT:

ADJOURNMENT:

STEELTON WATER AUTHORITY MEETING
January 9, 2017

Present:

Mayor Thomas Acri, President
Alan Ausman, Vice President
Michael Segina
Kathy Handley

Michael L. Solomon, Solicitor
Edward Ellinger, Engineer, HRG
Timothy Horstman
Brian Handley, Water Distribution Foreman
Mark Handley, Spvr.-Water Filtration & Lab
Thommie Leggett-Robinson, Exec. Assistant

Absent With Cause:

Douglas Brown, Borough Manager/Secretary

Call Meeting to Order:

The meeting was called to order by President Acri at 5:00 p.m.

Pledge of Allegiance:

Mayor Acri led the attendees in the Pledge of Allegiance.

Mayor Acri made a clarifying statement regarding the term limits of the members of the Authority. He explained that technically the terms of the three persons, whose appointments expired December 31, 2016, may serve until persons willing to take those positions are identified. He also stated that the Board has one vacancy. Mr. Ausman moved and Mr. Segina seconded the motion that Thomas Acri, Kathy Handley, Al Ausman and Michael Segina serve as the Board of the Steelton Borough Water Authority. The motion was approved unanimously.

Mayor Acri then asked for nominations of persons to fill the Chairman position. Mr. Segina nominated Al Ausman. Since there were no other nominations. After three calls Mr. Acri declared the nominations closed. Mr. Ausman was presented as the candidate for Chair of the Authority. Mr. Segina moved and Ms. Handley seconded the motion that the nomination be accepted. The Board elected Al Ausman as Chair of the Steelton Water Authority Board by a unanimous vote.

Mayor Acri asked for nomination of persons to fill the Vice Chair position. Ms. Handley nominated Michael Segina for Vice Chair of the Board. There were no other nominations and after three calls, Mr. Acri declared the nominations closed. Ms. Handley moved and Mr. Ausman seconded the motion to accept the nomination. Michael Segina was elected to serve as Vice Chair of the Steelton Borough Water Authority by unanimous vote of the Board.

Mayor Acri asked for nomination of persons to fill the Treasurer's position. Mr. Ausman nominated Kathleen Handley for Treasurer of the Board. There were no other nominations,

therefore Ms. Handley was presented as the candidate for Treasurer of the Authority. Mr. Ausman moved and Mr. Segina seconded the motion that Ms. Handley be elected to serve as Treasurer of the Steelton Borough Water Authority. The motion passed by a unanimous vote of the Board.

Mayor Acri turned the meeting over to the new Chair, Mr. Ausman. Mr. Acri congratulated Mr. Ausman and Mr. Ausman thanked Mr. Acri for his service.

Engineer Ellinger requested that he be allowed to make his presentation since he was not feeling well. Chair Ausman approved the change in order of the prepared agenda. Mr. Ellinger stated that the Pine Street/Harrisburg Street is complete and the contractor has handed over everything required, such as sewage videos, etc.

Mr. Ellinger stated that the PENNVEST information has been reviewed by HRG and he plans to invite Mr. Handley, Mr. Handley and Mr. Brown to participate in the pre-construction meeting. As reported before, the bids for the project were under the estimated cost for the work required. PENNVEST did not accept the proposal to use the remainder of the funds to complete other related projects. Mr. Ellinger informed the Board that since the request to use the identified funds for other projects occurred during the pre-signing phase, the Borough would have to go through the application again adding the new projects. Such a move is cost prohibitive and time consuming since there is a need to start work on the new tanks as soon as possible. Mr. Ellinger is confident that the project will not require more money than was bid, so the 5% contingency fund should be available for use. He indicated that there will not be enough money to purchase the aeration project but to complete some of the SCATA upgrades. PENNVEST has agreed that money in the contingency plan can be used for the completion of related projects. The Borough can access the contingency funds through the use of change orders to the funded project. The push to use up PENNVEST funds is to reduce funds allocated in the 2017 Authority Budget. The goal is to have everything in place so that actual construction on the tanks can begin in April and completed by July 2017.

HRG has been in contact with a professor at Penn State Harrisburg who specializes in DBT and is willing to join the team as it determines the next steps to complete the work that needs to be completed. Hopefully, the team will identify what and in what order things need to be completed once the installation of the tanks is completed. By having things in place, the work should continuously flow toward the achievement of the identified needs.

Mr. Ausman asked if change orders could be put in after settlement or if they could be submitted right away. Mr. Ellinger stated that care should be taken to ensure the project stays within budget. Mr. Ellinger stated his intent to be aggressive in pursuit of the \$25,000 contingency funds. Mr. Ausman asked if it is possible that by waiting the cost of aerators could increase by about 50% or more. Mr. Ellinger stated that he could not project how much an aeration system would cost. PAX is supposed to present a design and quote for the aeration project within the next two weeks. Mr. Segina asked if plans and funding for placing the

aeration system near the high school was approved. Mr. Ellinger does not think the placement or funds were approved. He stated that placing the aeration system in the new Clearwell tanks will be the best plan. Mr. Ausman suggested that the plan be reviewed.

The Mulberry/ Bessemer Street Project is almost complete, pending some close out things such as water testing, manholes covers, etc. The contractor has requested approval for payment of \$145,408.50, which was included in the 2016 budget. Mr. Segina asked if the funds were just for the Authority or if it included the portion to be paid by the Council. Ellinger stated that the cost was for both, but the Authority will pay, then be reimbursed by the Council. Mr. Segina moved and Mr. Acri seconded that the application for payment be approved. The motion carried by a unanimous vote. After discussion and at the recommendation of Mr. Ellinger, Mr. Segina moved and Mr. Acri seconded the motion that the rest of the money owed the contractor, \$322,656.00, be approved for payment upon clearance from the engineer, staff and solicitor. The motion passed by a unanimous vote.

Following Mr. Ellinger's presentation, Mr. Ausman returned to the completion of the Nominations and/or Appointments to the Steelton Water Authority.

Mr. Acri moved and Mr. Segina seconded the motion that Douglas Brown be re-appointed Secretary of the Steelton Borough Water Authority Board. The motion passed by unanimous vote.

Mr. Acri moved and Mr. Segina seconded the motion that Michael L. Solomon of Cohen, Seglais, Pallas, Greenhall & Furman, PC be re-appointed as Solicitor for the Steelton Borough Water Authority Board. The motion was passed by a unanimous vote.

Mr. Acri moved and Ms. Handley seconded the motion that Mark S. Stewart of Eckert Seamans be re-appointed Bankruptcy Attorney for the Steelton Borough Water Authority Board. The motion was passed by a unanimous vote.

Mr. Acri moved and Mr. Segina seconded the motion that Timothy J. Horstman of McNees, Wallace & Nurick, LLC be re-appointed PUC/Environmental Representative for the Steelton Borough Water Authority Board. The Board passed the motion with a unanimous vote.

Mr. Segina moved and Ms. Handley seconded the motion that Donna L. Kreiser of McNees, Wallace & Nurick, LLC be re-appointed Bond Council for the Steelton Borough Water Authority Board. The motion was passed by a unanimous vote of the Board.

Mr. Segina moved and Mr. Acri seconded the motion that Herbert, Rowland & Grubic, Inc. be re-appointed Engineers of the Steelton Borough Water Authority Board. The Board cast a unanimous vote supporting the motion.

Mr. Acri moved and Ms. Handley seconded the motion that Zelenkofske Axelrod (ZA) be re-appointed Auditors for the Steelton Borough Water Authority Board. The motion was passed by a unanimous vote of the Board.

An error was noted on the December 12, 2016 minutes. Mr. Ausman requested that the minutes be changed to reflect that Mr. Segina seconded the motion for approval of the Treasurer's Report. Mr. Acri moved and Mr. Segina seconded the motion that the minutes be approved with the corrections noted. The Board passed the motion by unanimous vote.

Mr. Ausman called for a review of the Treasurer's Report from December 2016. Ms. Handley moved and Mr. Segina seconded the motion that the December 2016 Treasurer's Report be accepted as presented. The Board passed the motion by unanimous vote.

Communication:

Mr. Segina informed the Board that a letter regarding a water violation will be mailed to residents of Steelton Borough this week.

Unfinished Business:

Mr. Ausman directed the Authority to the PENNVEST funding closeout. He brought several things up for discussion, including his concern regarding Exhibit B on the contract which indicated that the Authority was free and clear of any liens. He asked if previous bonds have been included. Mr. Solomon answered that only secured debts would be included in that answer. He explained that the Borough agrees to raise taxes if it is unable to pay the debt. If that does not happen, the Borough can instruct the Authority to raise rates to ensure the payments are made. There continued to be discussion regarding the contract.

There was further discussion regarding the contract including questions about the Right-To-Know Law, additional finances, mechanic liens, and the deficiency definition. Mr. Ausman stated that this was the most thorough contract from the lender he has seen. Mr. Horseman informed the group that PENNVEST provides the forms that must be completed, so they ensure their best interest is covered. The Authority agreed that the contract was acceptable. Mr. Segina moved and Ms. Handley seconded the motion that contract be accepted. The Authority cast a unanimous vote in favor of the motion.

There was a question regarding the authority of the newly constituted Board to sign documents negotiated and approved by the previous Board. Solicitor Solomon stated that the currently constituted Authority is authorized to sign all documents to further the PENNVEST funding.

Mr. Ausman stated that the Authority has made a major step forward. He thanked everyone for their help in making the positive movement toward making positive progress.

Mr. Segina stated that Mr. Brown had indicated to him that he has a candidate to present to the Council for appointment as a new member of the Authority Board.

Mr. Ausman called for a motion to adjourn the meeting. Mr. Acri moved and Mr. Segina seconded the motion to adjourn the meeting at 5:52p.m. The motion was unanimously approved by the Board.

Respectfully submitted,

Douglas Brown, Secretary

A handwritten signature in black ink, appearing to be 'DB', written in a cursive style.