

**COLLEGE TOWNSHIP WATER AUTHORITY
1481 East College Avenue
State College, PA 16801**

Hybrid Meeting (In-person, Virtual and by Phone)

REGULAR MEETING MINUTES

Wednesday, September 7, 2022

7:00 pm

In Attendance (as listed below):

Members:

Martin McGann - Chair
Donald Hartzell – Vice-Chair
Michael Grutzeck, Secretary
Richard Harris - Treasurer
Raymond Liddick, Jr. – Assistant Treasurer
Doug Baxter - Alternate

Staff:

Adam Brumbaugh, Recording Secretary
Kim Patishnock, Assistant Secretary
Robert Long, Finance Director
Michael Daschbach, Entech Engineering
Joseph Fedeli, CPA Firm
Cristin Long, McQuaid Blasko
Christopher Gibbons, Concord Public Finance

Call to Order:

Vice-Chair Hartzell called the meeting to order at 7:03 pm.

Public Comment:

No comments were presented.

Approval of Minutes:

Vice-Chair Hartzell made a motion to approve the minutes from August 3, 2022. The motion was seconded by Secretary Grutzeck. The motion passed.

Operations Update – Staff:

Mr. Brumbaugh noted; 1) the monthly fire route readings have remained low; 2) the inventory report showed no leaks for August 2022; 3) the new service connections are at 10 new services for the 2022 year; 4) the master meter pit has been installed at the Nittany Mall with a second letter to be sent to the local managers and owners of the property with the first billing date to be after the first quarter of 2023.

Finance Report – Staff:

FR-1. Financial Report July 2022

Mr. Long reported as of July 31, 2022; 1) the cash and investment balance is \$1,321,591; 2) the outstanding debt balance is \$6,835,600; 3) and the debt service is \$563,507; 4) a re-evaluation of the water-main connection fees will be completed; 5) there were higher than normal costs associated with the maintenance of distribution, transmission, service lines, and repairs, supplies and maintenance of hydrants and water meters.

FR-2. Ratification of Disbursements August 2022

Vice-Chair Hartzell made a motion to ratify the August 2022 Disbursements. Seconded by Assistant Treasurer Liddick. The motion passed.

Old Business:

1. Meter Depreciation Charges – Discussion

Mr. Brumbaugh reviewed; 1) the information provided in the memo composed by College Township Assistant Engineer, Northridge; 2) a breakeven point was calculated to incorporate actual depreciation costs paid by the Authority for the replacement of water meters at a value of \$4.54 per quarter for the useful life of approximately 20 years; 3) the current quarterly depreciation charge of one dollar goes to the general fund as well as the entire replacement cost; 5) the calculation used to remove the meter depreciation charge entirely from the water invoices and incorporate the meter replacement costs would add fifty cents per thousand gallons to residential billings; 6) the options are to remove the depreciation fee and incorporate the amount into the water rate by volume or charge the actual amount required as a depreciation charge to collect the replaced meter costs with a dedicated fund for accurate tracking.

The Authority members agreed to examine the information and evaluate the topic at the October 5, 2022 meeting.

New Business:

1. 2022 Debt Issuance/Projects

Mr. Gibbons introduced himself and presented the handout information by noting; 1) the current market, structure and influences on current loans and rates; 2) option one, a review of the current debt service structure; 3) options two through four are standard mortgage type loans based on amount borrowed and timing of repayment; 4) options five through six are wrap around and/or modified wrap around loans added to the current debt service; 5) option seven is a restructure/extension of the current debt service loan structure with the borrowing added for estimated projects; 6) the concern with the life of the loan cannot be longer than the life of the Authority which was chartered May 14, 1996 for fifty years which would be in 2046.

The Authority members agreed to re-evaluate the loan information at the October 5, 2022 meeting after the Finance Sub-committee meets to assemble the information.

Vice-Chair Hartzell made a motion to execute by signature of Chair McGann of the engagement letter with Concord Public Finance with a fee of \$24,000.00 paid to Mr. Gibbons for his services in obtaining the loan with the following conditions:

- 1) The fee is paid when the loan agreement is obtained**
- 2) The fee is added to the loan borrowing**

Assistant Treasurer Liddick seconded the motion. The motion passed unanimously.

Project Management Team (PMT):

Chair McGann noted; 1) the coordinator for the PMT meetings is no longer an employee; 2) no meetings have been scheduled to further discussions.

Consulting Engineer Report:

Mr. Daschbach reported on the projects; 1) the riparian buffer plan, created by Vice-Chair McGann, and required by the Pennsylvania Department of Environmental Protection for the Oak Hall project have been submitted and was approved; 2) the Mountain View project (College Avenue Crossing at Houserville Road) plans have been solidified and the project is progressing; 3) the Matilda Avenue project will be bid next week with the project bid award for approval at the November 2022 meeting.

Solicitor Report:

Solicitor Long noted that a section of the Aspen Heights project was discussed with Staff regarding four residence along a private street that were discontent with the restoration after water line were installed along the edge of the paved private street.

Mr. Brumbaugh noted that an agreement was reached with the four residence and the College Township Water Authority to have the Contractor pave the private street at a divided cost among the four residence of \$2,000.00 with the remaining cost to be paid by the Authority.

Sub-Committee Reports:

Engineering Committee:

Vice-Chair Hartzell and Treasurer Harris noted; 1) the 2023 Budget and Capital projects were discussed as listed: a. Oak Hall Well Development, b. Oak Hall Transmission Mains, c. Ivy Hill/Mountain View/Manor Drive Connector, d. Struble Tank Repair- inside/outside plus options and fencing around the facility, e. Squirrel Drive- install waterline, f. Houserville Street Crossing, g. Pike Street Phase Two; 2) the low water pressure for fire services along Oak Ridge Avenue is due to the construction projects required for the development of Aspen Heights.

Other Matters:

No other matters were presented.

Informative:

1. OH-20 Update- Dr. Parizek

No comments were presented.

Adjournment:

Hearing no more business, Chair McGann moved to close the meeting. Seconded by Vice-Chair Hartzell. The meeting adjourned at 9:15 pm.

Respectfully Submitted,

Adam Brumbaugh

Adam Brumbaugh, Recording Secretary