

December 21st, 2009

Central Mainline Sewer Authority
P O Box 35 93 Jones Street
Lilly, PA 15938

December 21st, 2009 Meeting Minutes

Roll Call of the Board

7:00PM Chairman Rich Wray, Vice-Chairman William Claar, Board members Secretary Rita Butterbaugh, Raymond Guzic, Jr., Solicitor William Barbin, Engineer Steve Sewalk, Plant Manager Ronald Rakar and Recording Secretary Pamela Flis all present.

James DeCort was absent from the meeting.

Leslie Devett also attended the meeting.

Salute to the Flag:

Public Participation:

None at this time

Secretaries Report:

Motion made by William Claar 2nd Rita Butterbaugh, to accept the Minutes from the November 16th 2009 meeting, as submitted in written form. Roll call, all in favor, Motion passed.

Motion made by William Claar 2nd Raymond Guzic, Jr., to accept the Treasurers Report, Unpaid Bills details as submitted in written form. Roll call, all in favor, Motion passed.

Motion made by Rita Butterbaugh 2nd William Claar to execute Requisition # 76 for Blalock Electric in the amount of \$22, 935.60 for payment for electrical work done at the CMSA WWTP fine screen building, and forward to RUS for approval. Roll call, all in favor, Motion passed.

Correspondence

Requisition # 75- Fine Screen Building- RUS Approval
Cramer exoneration- removal of trailer-paperwork being sent to property owner(s) for signatures.

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Draft Budget 2010 Submitted to RUS

CMSA submitted a draft budget for their review, RUS had issues with

1. Income figures not properly recorded , CMSA annualized projected income for 2009
2. Line 27 General Funds Balance, Show General Fund's checking account balance, RUS disagreed with the use of general funds to balance the budget.

CMSA has submitted a second budget to RUS for 2010; CMSA has properly annualized it's income amount of \$347,000.00 and LBSA at \$61,790.00 bringing the total of operating income to \$413,590.00 and operating expenses totaling \$413,590.00. CMSA has submitted a balanced budget to RUS.

As discussed the USACOE funds being held by CMSA and the resolutions set forth by CMSA with concerns to the use of these funds. The CMSA board agreed with Solicitor Barbin's reply to RUS on the use of USACOE funds.

As discussed the LBSA meeting with CMSA Chairman, USACOE funds was also discussed. CMSA chairman's response:

1. Bring back to CMSA for discussion.
2. To clarify CMSA relationship with LBSA concerning operating and maintenance cost.
3. Exam the intent and scope of work for which the USACOE grant funds are being held and currently preserved for future expansion of the CMSA sewer lines.

As discussed how the grant was written and CMSA was the only entity who applied for the funding.

LBSA two issues on operations at the WWTP were:

1. Plant Labor verses time spent on the collection system.
2. Office staff benefits and taxes.

As discussed: The CMSA Solicitor has concerns with LBSA request of CMSA, CMSA has made efforts to explain and provide detail information on operations and maintenance at the WWTP. LBSA has shown no interest in reconciling these differences of opinion.

As discussed: The monies owed by LBSA to CMSA for the completion of the CMSA WWTP, as clearly stated in the agreement signed by LBSA members. Solicitor Barbin has seen no intent from LBSA to make any sort of payments arrangements. CMSA had changed percentages owed by LBSA from the original agreement, in good faith, which lowered their monthly payments to CMSA from \$6,573.33 to current monthly rate of \$5,149.18, monthly difference of \$1,424.15 and a yearly total of \$17,089.80. Solicitor's legal position of the matter is to enact the pending law suit for interest due on the first payment from LBSA and a second law suit for the monies owed for the completion of the scope of work done at the WWTP, fine screen building, paving,

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guiderails and fill, as in accordance to the signed agreement.

Under the agreement with RUS, CMSA must continue to pursue customers who are delinquent on their account(s).

Solicitor Barbin feels that CMSA must pursue LBSA due to their lack of financial commitment to the agreement, all parties revert back to the original percentages as committed to, for Operations and Maintenance shared cost at 43.8%.

Motion made by Raymond Guzic, Jr 2nd Rita Butterbaugh to file a second law suit against LBSA in 2010, for approximately \$129,000.00 plus interest owed. Roll Call. Raymond Guzic, Jr.-yes, Rita Butterbaugh – yes, William Claar-NO, Richard Wray – yes. Motion passed.

A copy of all correspondence is on file at the CMSA office.

Engineers Report:

Fine Screen building is still under construction, minor items remain to be completed. RUS representative Barb McMillen was at the CMSA WWTP for inspection. As discussed the contracts and what minor items need to be completed before final completion costs are paid out to the contractors.

Motion made by William Claar 2nd Rita Butterbaugh to grant the contractors an extension of completion, on all three contracts for the fine screen building at the CMSA WWTP. Roll call, all in favor, Motion passed.

Sewer line extension, a total estimated project cost was presented to the board. As discussed grant applications and the rates of contractors in this current economical time, informing RUS of our sewer line expansion, mapping of the selected area, and how this project impacts the current EDU rate.

Motion made by William Claar 2nd Rita Butterbaugh to allow engineer Steve Sewalk to inform and file an loan application with RUS for sewer line extensions. Roll call, all in favor, Motion passed.

Motion made by Raymond Guzic, Jr 2nd Rita Butterbaugh to allow engineer to proceed with an environmental report and sewer line mapping and planning. Roll call, all in favor, Motion passed.

Engineers report on file at the CMSA office.

Solicitors Report:

As discussed the contractual rights of LBSA to CMSA, Solicitor to file the law suit after the New Year and Re-organization meeting, with a courtesy letter to LBSA attorney.

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CMSA borrowed money, to build the WWTP, based upon the signed agreement with LBSA, and what affect the deficit(s) have against CMSA sewage customers.

Solicitor to invite members of the LBSA to the CMSA meeting in January 18th, 2009.

Motion made by Raymond Guzic, Jr. 2nd Rita Butterbaugh to maintain current reduced allocation payments with LBSA until CMSA has had an opportunity to meet with LBSA, and to have CMSA Auditor Kotzan to recalculate the 2009 allocation payment based upon the original percentages in the agreement and 2010 based upon the 2010 CMSA budget. Roll call, all in favor, Motion passed.

Plant Operator Report:

Flow meters are currently all working properly. Plant manager presented two quotes to the board on the replacement ultra violet light for the disinfection system.

1. Altoona Soft Water \$338.80 each, lots of 25 =\$8,470.00
2. Exeter Supply Co. \$243.00 each, lots of 12 =\$5,832.00

Motion made by Raymond Guzic, Jr 2nd Rita Butterbaugh to allow plant manager to purchase a case (12) of ultra violet light for Exeter Supply Company @ \$234.00 each. Roll call, all in favor, Motion passed.

Old Business:

Grease Traps: starting in 2010 CMSA to enforce and inspect businesses for grease traps. Grease trap enforcement by CMSA will not include Lilly Borough; LBSA will be sent a copy of the grease trap enforcement and monitor their own customers.

New Business: None at this time.

Tabled Items:

As discussed: HHRM- A new updated lien notice to be sent.

For the Good of the Order: None at this time.

Adjournment:

Motion made by William Claar, 2nd Rita Butterbaugh to adjourn the meeting at 8:20 PM. Roll call of votes, all in favor motion passed.

For the Record:

A copy of the December 21st, 2009, meeting packet with minutes from November 16th, 2009 regular meeting was mailed to LBSA on December 22nd, 2009.