

**SUMMIT TOWNSHIP SEWER AUTHORITY
MONTHLY BUSINESS MEETING
JANUARY 28, 2021**

The regular monthly business meeting of the Summit Township Sewer Authority was called to order with the Pledge of Allegiance at 9:10 a.m. at the Sewer Authority Building, 8890 Old French Road, Erie, Pennsylvania. CALL TO ORDER

Present: Chris Fette, Chairman; Laban Marsh, Secretary; Michael Andrus, Ass't Secretary; Mark Welka, Treasurer; William C. Steff, P.E., Manager; Solicitor George Joseph, The Quinn Law Firm; Chad Yuriscic, P.E., Greenman-Pedersen; Caitlyn Haener-Schwab, Administrative Supervisor. ROLL CALL

Motion by Mr. Welka, seconded by Mr. Marsh, to approve the minutes of the December 17, 2020 Regular Business Meeting. Vote 5/0. 12/17/20
MINUTES

Motion by Mr. Welka, seconded by Mr. Marsh, to approve the Treasurer's Report as submitted to and reviewed by all Board members. Vote 5/0. TREASURER'S
REPORT

Motion by Mr. M. Rose, seconded by Mr. Marsh, to approve the Expenditure Report as submitted to and reviewed by all Board members. Vote 5/0. EXPENDITURES

SOLICITOR'S REPORT

Solicitor Joseph reported that he has reviewed the January 2021 lien list. Solicitor Joseph reported that the Corsale lien (2615 Laurie Drive) was paid in full and the lien was removed. Solicitor Joseph sent out an Act 1 notice at the request of Billing Clerk McCaslin earlier in the week. LIENS

Solicitor Joseph reported that he worked with Engineer Yuriscic to update the exhibit for the new easement agreement with Erie County Technical School at 8500 Oliver Road (Vo-Tech). Solicitor Joseph determined that the 1992 agreement was not recorded at the Erie County Courthouse. Solicitor Joseph identified some technical deficiencies in the 1992 easement agreement with Vo-Tech. Solicitor Joseph has been working with the Vo-Tech Solicitor, Tim Sennett. The new easement agreement has been reviewed by both solicitors. Solicitor Joseph added that Solicitor Sennett plans to put the agreement to the Joint Operating Committee at the Vo-Tech meeting tonight. VO-TECH
8500 OLIVER RD
EASEMENT

Solicitor Joseph reviewed assessment notices received by the Authority regarding the acquisition of the small Cullen parcel adjacent to the Oliver Road Lift Station Improvement Project. Solicitor Joseph contacted the Erie County Assessment office and determined that the parcel is correctly designated tax-exempt at the assessment office. OLIVER L.S.
PROPERTY TAX
ASSESSMENT
NOTICES

Solicitor Joseph has been working with Manager Steff regarding the proposed PennVest Loan Application for the Oliver Road Lift Station Improvement, Force-main, and Gravity Sewer Projects. Engineer Yuriscic distributed an Opinion of Probable Cost report prepared by GPI for the Oliver Road projects totaling \$3.1M. Solicitor Joseph has reviewed the resolutions presented to the Board for discussion. Solicitor Joseph advised that the first step in the process is for the Board to authorize the manager and the engineer to submit PENNVEST
APPLICATION

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the application. Solicitor Joseph advised that the second step is to pass a resolution regarding how the Authority will pay invoices associated with the project prior to receiving funds from PennVest; the resolution says that the Authority will spend general funds, then later replace those funds with PennVest funds when the loan from PennVest is received. Solicitor Joseph explained that the Authority could also use short-term borrowing. Mr. M. Rose asked about the likelihood of the Authority to secure the PennVest loan and the feasibility of expending general funds in the interim. Engineer Yurisc and Manager Steff both expressed confidence that the PennVest loan application will be successful. Manager Steff stated that expending general funds in the interim is feasible, citing the Treasurer's Report.

PENNVEST
APPLICATION
(Cont.)

Mr. Welka left the meeting at 9:29 a.m.

Mr. Marsh proposed that the Board consider borrowing \$3M, instead of \$2.5M, to take advantage of the low interest rate offered by PennVest. The PennVest loan will be 1.0% for the first five years and 1.743% for years six through twenty. Discussion ensued. Chairman Fette stated that he would not be in favor of taking on extra debt in case the cash flow of the Authority fluctuates in the future; the Authority has the reserves to put into the project now. Chairman Fette added that 80% financing is already greater than the Authority has borrowed for past projects. Engineer Yurisc explained that the amount of outstanding loan debt on any project impacts the tap-in fees that the Authority may charge; as the Authority has more equity into a project, the tap-fees increase. Manager Steff explained that, if a large development comes along right after the project is complete, the Authority could only charge a tap-fee based on the amount that is paid off at the time the developer is seeking permits. Mr. Marsh agreed that the tap-fees were an important consideration. Manager Steff reminded the Board that the \$2.5M application is double the amount the Authority originally planned to apply for when the PennVest conversation first started. Manager Steff added that the Authority could go back to PennVest for future projects; PennVest historically has always had very low rates.

Solicitor Joseph presented the first PennVest resolution. The Resolution to Apply designates that the appropriate officers for the agency are authorized by the Board to execute all certifications and documentation required in connection with the application.

Motion by Mr. Marsh, seconded by Mr. M. Rose, to adopt the Resolution to Apply for the PennVest application. Vote 4/0.

RESOLUTION
TO APPLY FOR
PENNVEST

Solicitor Joseph presented the second PennVest resolution. The Resolution dated January 28, 2021 declares the Authority's official intent to reimburse general funds or short term borrowed funds used to construct improvements to its public sewer system with funds received from the Pennsylvania Infrastructure Investment Authority and/or any permitted interim financing. The Resolution is based on a maximum loan of \$2.5M.

Motion by Mr. Marsh, seconded by Mr. M. Rose, to adopt the Resolution declaring the Authority's official intent to reimburse general funds or short term borrowed funds used to construct improvements to its public sewer system with funds received from the Pennsylvania Infrastructure

RESOLUTION
TO EXPEND
GENERAL FUNDS
IN INTERIM

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Investment Authority and/or any permitted interim financing based on a maximum loan of \$2.5M. Vote 4/0.

PENNVEST
APPLICATION
(Cont.)

Solicitor Joseph presented the Letter of Responsibility addressed to the Executive Director of PennVest. The Letter of Responsibility certifies that the Authority has duly authorized a resolution to apply to incur a debt of \$2.5M, the Authority can repay the loan from existing and reasonably anticipated project revenues, and other certifications as detailed in the letter. Solicitor Joseph has reviewed all of the items and the Authority is in compliance.

Motion by Mr. M. Rose, seconded by Mr. Marsh, to certify the Letter of Responsibility and authorize Manager Steff and Chairman Fette to sign. Vote 4/0.

LETTER OF
RESPONSIBILITY

Solicitor Joseph recommended new PNC Bank Signature Cards in accordance with the recent changes in Board membership. Solicitor Joseph presented a set of PNC Bank Signature Cards to remove Mr. C. Rose as a signatory on all Authority accounts at PNC Bank due to Mr. C. Rose's retirement from the Board at the end of 2020.

Motion by Mr. M. Rose, seconded by Mr. Andrus, to approve the deletion of Mr. C. Rose as a signatory on all Authority accounts at PNC Bank and authorize Chairman Fette to sign. Vote 4/0.

DELETE
PNC BANK
SIGNATORY
C. ROSE

Solicitor Joseph presented a set of PNC Bank Signature Cards to add Mr. Andrus as a signatory on all Authority accounts at PNC Bank due to Mr. Andrus' appointment to the Board in 2021.

Motion by Mr. Marsh, seconded by Mr. M. Rose, to approve the addition of Mr. Andrus as a signatory on all Authority accounts at PNC Bank and authorize Chairman Fette to sign on behalf of the Authority. Vote 4/0.

ADD
PNC BANK
SIGNATORY
M. ANDRUS

ENGINEER'S REPORT

Engineer Yurisc reported that he has been working with Manager Steff on the PennVest Application, as covered in the Solicitor's Report. Engineer Yurisc has been working on permits, estimates, and other loan documents. Engineer Yurisc stated that the deadline to submit the application is February 3, 2021 and the Authority is on track to meet that deadline.

PENNVEST
APPLICATION

Engineer Yurisc has reviewed construction planning documents and provided comments to the consultant for PennDOT, JMT Engineers, regarding the Authority portion of the Five Points Roundabout Project. Engineer Yurisc reported that JMT addressed the comments and the project is back under review by PennDOT.

FIVE POINTS
ROUNDAABOUT

Engineer Yurisc reported that he has been working on an updated Act 57 Schedule of Fees for presentation to the Board at the February Regular Business Meeting.

ACT 57 UPDATE

MANAGER’S REPORT

Manager Steff reported that the current overhead rate of \$42.00 was adopted at the January 2020 Regular Business meeting. Based on a review of the 2019-2020 Fiscal Year Audit Report, Manager Steff recommends that the overhead rate for 2021 should be lowered to \$39.00 per hour.

ANNUAL
OVERHEAD
ADJUSTMENT

Motion by Mr. Marsh, seconded by Mr. Andrus, to set the overhead rate at \$39.00 per hour for 2021. Vote 4/0.

\$39.00/hr
OVERHEAD
FOR 2021

Manager Steff distributed a proposed updated Estimate of Probable Construction Cost for the projects included in the 2014 Comprehensive Sewer Plan. The Plan was last amended in 2017. The State requires the Authority to update the plan every five years. Manager Steff recommends that the Board adopt the construction costs updated for January 2021 so that the updated costs can be incorporated into the Comprehensive Sewer Plan and planning documents going forward. Manager Steff emphasized that adopting the updated cost estimates does not obligate the Authority to undertake any of the projects listed; the estimates are merely a tool for long-range, high-level planning and for responding to inquiries from developers, residents, and regulatory agencies. Manager Steff explained that the estimates primarily answer the question most often asked: what is the cost of an average EDU in a proposed service area? The proposed schedule will update the probable construction costs for the following areas: Route 99, Hershey, N. I-90; Lee Road; Townhall, Route 97, Benjamin; S. I-90, Hamot; Robison, Cherry St. Ext.; and Perry Hwy, Schultz Road. Discussion ensued regarding the calculation methods used to develop the estimates.

UPDATE
PROJECT COST
ESTIMATES FOR
COMP. PLAN

Motion by Mr. Marsh, seconded by Mr. M. Rose, to adopt the January 2021 Estimate of Probable Construction Cost. Vote 5/0.

ADOPT 2021
AMENDMENT TO
COMP. PLAN

Manager Steff reported that the Copperleaf Project by Palermo is complete. Copperleaf has been inspected to the satisfaction of the Authority and the cash bonds have been released. Manager Steff recommended adopting certain sanitary sewers constructed as a part of the Copperleaf Project along Route 99 and through the woods to the first manhole on the west side of Old Zuck Road. Manager Steff advised that by adopting the sewer lines they will be added to the Summit Township Sewer Authority Public Sewer System.

COPPERLEAF

Motion by Mr. M. Rose, seconded by Mr. Marsh, to adopt as public the sanitary sewers along Route 99 and through the woods to the first manhole on the west side of Old Zuck Road. Vote 5/0.

ADOPT AS
PUBLIC
ROUTE 99 AND
ZUCK SEWER

Manager Steff reported that two employees are requesting to carryover vacation from 2020. According to the personnel code, the Board must approve any vacation carryover in excess of 5 days. Manager Steff recommends Board approval of 2020 carryover in the amount of sixty hours for Operations Technician Hodge and seventy hours for Administrative Supervisor Haener-Schwab.

VACATION
CARRYOVER

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Motion by Mr. Marsh, seconded by Mr. Andrus, to allow Operations Technician Hodge and Administrative Supervisor Haener-Schwab to carryover accrued vacation from 2020 to 2021. Vote 5/0.

VACATION
CARRYOVER

Mr. M. Rose stated that the personnel code should be changed to disallow vacation carryover in the future. Mr. M. Rose expressed concern that the current policy is a liability on the books and that allowing vacation carryover creates too much uncertainty. Mr. M. Rose stated that the Authority should allow vacation carry forward only for special occasions. Administrative Supervisor Haener-Schwab responded that her vacation carryover was saved to plan for a special family vacation. Mr. M. Rose added that he would prefer that the request for vacation carryover should be submitted to the Board in December, rather than January. Administrative Supervisor Haener-Schwab responded that the practice has been to put the request to the Board after the close of the calendar year at the recommendation of the auditors, but if the Board wants the request prepared in December the change can be made. Discussion was deferred to the May Personnel Committee Meeting.

PROPOSED
CHANGE TO
PERSONNEL
CODE

Manager Steff reported that in reviewing 2020, the Authority's revenue was better than projected. Manager Steff quickly covered several public and private development projects that are planned for 2021.

2020 RECAP
AND 2021
PROJECTS
UPCOMING

NEW BUSINESS

None.

ADJOURNMENT

With no further business to come before the Board, Mr. M. Rose motioned to adjourn, seconded by Mr. Marsh. Vote 4/0.

Chairman Fette adjourned the meeting at 10:39 a.m.

Respectfully submitted by,

Caitlyn Haener-Schwab
Administrative Supervisor