

Cumberland-Franklin Joint Municipal Authority

(May 14, 2020)

- Chairman John Knutelsky called the monthly meeting of the Cumberland-Franklin Joint Municipal Authority to order at 6:00 pm in the office of CFJMA, 204 W. King Street, and asked for a moment of silence and the pledge to the flag.
- Those present were:

Dwain Koser	Attorney Jim Robinson	Lisa E. Suders	John Knutelsky
Angelique Brown	Mike Wadel	Steve Oldt	Jerome Kater
Randall L. Kendig	Lance Hoover (DEBI)	Ben Richardson	Steve Wolfe
- Motion was made by Mr. Oldt for the approval of the April 9, 2020 minutes. Mr. Kater seconded the motion and it carried.
- There were no Public Comments.
- There was no Correspondence.
- The May 14, 2020 Treasurer's Report was motioned for approval by Mr. Oldt and seconded by Mr. Kendig. Motion carried.
- Under the Solicitor's Report, Attorney Robinson presented the following:
 1. He informed the board members that he hasn't heard anything on the SU agreement. We will continue billing at the old rate and see how they respond.
 2. There was a delay in the Borough of Shippensburg adopting their new pre-treatment ordinance due to an advertising issue. It will be presented at their May 19th meeting. Once the ordinance is adopted by their governing body, CFJMA will adopt the Shippensburg Borough's pre-treatment ordinance with Resolution 2020-02.
- Under the Manager's Report, Dwain had nothing to present. Chairman Knutelsky asked, "How are the employees?" (COVID19 pandemic began around March 17th – social distancing, schools closed, businesses closed, wearing masks) Dwain informed them that John Ferrell is quarantined from coming to work due to a household member testing positive for COVID19. Angelique is working half days at the office and doing work from home in the afternoons to take care of her children. He said that morale is good, the lobby has been locked since March 18th and business is as usual through the drive-up window.

Attorney Robinson asked, "Anything happening at the wastewater treatment plant?" Lance updated the board members with the following:

 1. One entire train is evacuated, cleaned and ready to go
 2. The contractor is mobilized and on site and officially beginning work on Monday, May 18th.
 3. They will be working on the train that is empty.
 4. Pipe is scheduled for delivery the 2nd week of June
 5. They are tentatively hoping to have the 1st train ready to go by late July / early August (we are about 6 weeks back)
- There was no Old Business.

- Under New Business, prior to Lance Hoover reviewing the Rate Study (**see attached**) with the board members, Dwain prefaced it with a few comments:
 1. He is by no means saying that rates need to be raised today, especially during this tough economic time in our country. He feels it is not something that needs action at this point. However, it will need specific attention in the near future.
 2. The revenue and tapping and connection fees together are keeping operations moving forward.
 3. He advised the board that the operating revenue, not including tapping and connection fees, is beginning to deplete itself and within the next year or two, the revenue and expenses will become lopsided.
 4. The concern would be if those tapping and connection fees would decrease, or for any given reason, there would be a moratorium at the treatment plant, which could cause CFJMA to operate in the “red”.

Lance began the review of the 2020 Rate Study by highlighting the key items that have contributed to the incurrence of substantial debt to the Authority. (**Refer to the 2020 Rate Study attached**)

Discussion and action that followed were:

Developer Bond Rates – Currently \$65.00 / L.F.

Recommendation:

- a) Non-PennDOT Roadways - \$100.00 / L.F.
- b) PennDOT Highways - \$120.00 / L.F.

After discussion among board members, Mr. Oldt motioned to approve the increase of the Bond Rates CFJMA charges to a developer to the recommendation above. Mr. Kater seconded the motion and it carried. Attorney Robinson will include this in a Resolution, once there is action taken on the other rates included in the 2020 Rate Study. That will determine the effective date.

Commercial User Rates per 1,000 Gallons Utilized – Currently \$7.00/1,000 gal after the 1st 12,000

Recommendation: Increase Commercial User Rates from \$7.00/1,000 gal. to \$8.00/1,000 gal.

During the discussion among the board members, the following suggestions were made:

1. Chairman Knutelsky asked for a histogram to show the trend over the years.
2. Lance recommended revisiting commercial user rates every 3 – 5 years.
3. They were concerned how it would impact a large user and it was suggested that the increase be put in a ladder structure.
4. Chairman Knutelsky suggested the ladder structure begin at \$7.50 / 1,000 gal.
5. Dwain mentioned that it takes \$7.37 / 1,000 gal. just to break even.

No motions were made at this time on the recommendation in the study.

Residential User Rates – (Not including Letterkenny Sewer District) Currently \$111.00/quarter

(See attached for History of CFJMA rate increases)

Recommendation: Increase Residential User Rates 10.8% over four years

- Year 1 - \$38 / month (\$114.00 / quarter)
- Year 2 - \$39 / month (\$117.00 / quarter)
- Year 3 - \$40 / month (\$120.00 / quarter)
- Year 4 - \$41 / month (\$123.00 / quarter)

No motions were made at this time on the recommendation in the study.

Mr. Oldt asked if the loans we are paying on could be rebid for lower interest rates.

Dwain responded that he could reach out to Attorney Bryan Salzmann (of GMS Funding Solutions) and discuss. **(See paperwork attached for CFJMA loan payment information and current balances on each loan)**

Tapping / Connection Fees – “Currently \$4,000 / EDU for all areas except the “Locust Street District”. The “Locust Street Sewer District” has an established tapping fee of \$4,500, with the additional \$500 being dedicated specifically to future sewer main enlargement within the sewer district.” (See 2020 Rate Study)

Recommendation:

- a) No change
 - b) Re-evaluate every five-years
- Motion to adjourn the meeting at 7:02pm was made by Mr. Richardson and seconded by Mr. Oldt. Motion carried.

Respectfully Submitted,

Randall L. Kendig, Secretary