

KELLY TOWNSHIP MUNICIPAL AUTHORITY 02/04/26 MEETING MINUTES

At 3:58 PM Chairman Chris Baylor called the meeting to order with the following in attendance: Vice Chairman Cody Lytle, Treasurer Lucas Criswell, Asst. Secretary/Treasurer Clint Morris, Solicitor Robin Martin, Engineer Josh Satteson HRG, Director Matthew Aikey and Bookkeeper Angela Reome.

Citizens on Agenda: None

Executive Session: None

A motion was made by Clint Morris and seconded by Lucas Criswell to approve 01/14/26 Meeting Minutes as recorded. All in Favor. Motion carried.

A motion was made by Clint Morris and seconded by Lucas Criswell to approve the KTMA Financial Reports for January. All in Favor. Motion carried.

A motion was made by Clint Morris and seconded by Lucas Criswell to approve the Kelly Crossroads Financial Reports for January. All in Favor. Motion carried.

A motion was made by Clint Morris and seconded by Lucas Criswell to approve Construction Check# 1228 in the amount of \$4,012.04 to HRG for retainer and for engineering services for RT 15 sewer replacement project. All in Favor. Motion carried.

A motion was made by Clint Morris and seconded by Lucas Criswell to approve Construction Check# 1229 in the amount of \$3,250.00 to Keystone Insurers Group for safety manual. All in Favor. Motion carried.

A motion was made by Clint Morris and seconded by Lucas Criswell to approve Construction Check# 1230 in the amount of \$5,962.40 to LRM Inc. for chlorine room work and leak detection. All in Favor. Motion carried.

A motion was made by Clint Morris and seconded by Lucas Criswell to approve Construction Check# 1231 in the amount of \$1,693.45 to Martin & Koch Transport and Repair for air compressor replacement on the flush truck. All in Favor. Motion carried.

REPORTS

Solicitor's Report – Rob Martin, Esquire

Municipal Audit/Exit Audit

Rob contacted Larsen & Kellett and they no longer perform municipal audits. Not many accountants do these types of audits anymore. Wagner, Dreese, Elsasser & Associates, P.C. in Selinsgrove was suggested as a potential option. Rob will reach out to them. Also, Clint recommended checking with Klacik & Associates, P.C. as well.

USDA Bond Council

USDA is requiring a name for someone to act as bond council for on the forms. This person can serve for both the Rt 15 sewer replacement project and the transfer of the Kelly Crossroads treatment plant. Rob completed the draft legal services for both items. If the funding is approved and we move forward with the projects, we will need a motion to officially designate someone.

Also, the following will be needed for the Kelly Crossroads transfer:

1. A statement from the township solicitor of no liens
2. Draft of legal services of bond council
3. A signed resolution or minutes as proof of transfer
4. A letter of explanation

These items are required and must be approved by USDA to transfer ownership of the Kelly Crossroads sewer treatment plant.

Resolutions: 2026-01 Sewer Rate Change & 2026-02 Assumption of Kelly Crossroads

Resolution 2026-01 was presented to the Board for review and approval. This resolution will amend and change the charges for sewer rates and calculations of said rates. The amendments are as follows:

- A. **Residential** units are payable at a flat rate of \$44.00 per month or \$528.00 per year.
- B. **Non-Residential** units are payable at a flat rate of \$95.00 per month or \$1,140.00 per year.
- C. **Metered Waste** units are payable at \$95.00 per month (minimum) for the first 10,500 gallons or less and in excess of 10,500 gallons per month \$10.00 per 1,000 gallons used.

A motion was made by Cody Lytle and seconded by Clint Morris to approve Resolution 2026-01 amending and changing charges for sewer rates. All in Favor. Motion carried.

Resolution 2026-02 was presented to the Board for review and approval. This resolution is to accept ownership of the Kelly Crossroads Sewer System, to assume the debt that was incurred by Kelly Township to construct said system, and to operate, maintain, manage said system, including but not limited to, collecting all fees and paying all obligations of the Kelly Crossroads Sewer System.

A motion was made by Cody Lytle and seconded by Clint Morris to approve Resolution 2026-02 to accept ownership of the Kelly Crossroads Sewer System as written. All in Favor. Motion carried.

(A copy of the Resolutions is included in the official meeting minutes.)

Engineer's Report – Josh Satteson (HRG)

Rt 15 Sanitary Sewer Forcemain Replacement Project

The draft engineering agreement will be finished by the end of the week. It will be sent to USDA, and everything else is ready to go. The preliminary engineering report and environmental report are completed. The only issue may be approval of the RPR. This person will need to be approved to do the work. The intent to file must be a resolution that KTMA will need to adopt to say that we would like USDA to provide funding for the project.

Harold Pawling Lane

Nothing to Report

Roundabout Project

HRG obtained permits and right-of-way approval in January from PennDot for the project. The project is moving into right-of-way acquisition. This process may take a few months. Bidding for construction is projected for late 2026 and early 2027.

NPDES Permit Renewal

The NPDES permit renewal for Kelly Crossroads treatment plant is complete and was submitted. We are still waiting for approval. If the permit expires before renewal the Authority can continue to operate under the old permit until it is approved.

Dubois WWTP Site Visit

On January 19, 2026 Josh, Matt, Chris and Clint visited Dubois WWTP that was designed by HRG. The tour was both informative and beneficial to view the operations of the new plant.

Chris was impressed by the facility. It was helpful to see the technology and the planning that went into building the plant. It was nice to see what HRG can do, from an engineering perspective, with our older plant. It would be good to have more input on the viability of our current plant and also planning for the future.

Clint was also impressed with the facility. It was well put together with the layout.

Cody stated that the master plan meeting was productive in that they discussed what it would take to get the plant modernized in the most cost-effective way along with the right employees in place that are willing to learn, work and be invested in the plant. He asked Matt for three lists all in order of priority and with associated cost. The first list would be projects that our staff can take on, the second list would be items that we would want to have outside consultants come in and fix and the last list would be items that are large ticket items that we would pursue for grant funding. This will allow the Authority to tackle each item strategically with our staff, outside consultants and grant funding as needed ultimately modernizing the plant in the most cost-effective way.

Executive Director's Report – Matthew Aikey

Angela Financial Procedures/Exit Audit

As discussed in the solicitor's report it is difficult finding Municipal auditors. Angela will work with Attorney Martin to find an auditor to perform the exit audit. Josh will also check into this and share options as well.

Accounting Packages – Matt and Angela are looking for accounting software that will be more specific to the Authority needs. We currently use QuickBooks accounting software. It has served us ok, but with the limited experience with the software there have been some challenges, and they feel that some of the coding is incorrect. It is their goal to clean it up and use codes and software more specific to what we are doing.

Angela stated that in her opinion the codes are especially alarming, especially for making applications for grants and things like that. They expect to see them in a certain order, and we just aren't doing it. She commented that we should have been doing it all along. The codes are the chart of accounts that the state of PA uses. According to Angela, every business in accounting uses a specific code. For sewer billing, for example it is her opinion that we have some made-up codes that don't exist. It is a concern of how it will affect grant applications moving forward. Right now, in her opinion we look non-compliant...completely.

Matt said that typically there is a published book with the codes and that every municipality he has ever dealt with use these codes. They are the state standard that everyone uses he said.

Josh Satteson stated that they are referring to the DCED Chart of Accounts. He said that when applying for grants he would assume that they would look at the chart of accounts for auditing purposes and would use it just to know where to put the grant money.

QuickBooks accounting software is great for small business accounting; however, everyone is in agreement that the software should be updated with something more conducive to Municipal Authorities. The goal is to have the new software up and running by January 2027.

Kelly Crossroads Agreement

The resolution to accept the Kelly Crossroads sewer system was presented as part of the solicitor's report and approved. Matt continues to work with USDA to provide all necessary documents to complete this acquisition.

Sludge Income Report

The Sludge Income Report for January was \$9,003.25. The sludge disposal rate increase went into effect 1/1/2026. All haulers must register to dispose of waste at the Authority, and provide a sample of waste before disposing. One hauler has refused to sample. He will be sent a letter informing him of the 15% solid penalty for refusing to sample.

New Business:

New Billing Results

December 2025 billing generated approximately \$68,418 in revenues. The new billing rates adopted 1/1/26 generated approximately \$98,220 in revenues for January 2026. The newly adopted resolution for the metered waste units is expected to generate approximately \$28,000 in additional revenues. This will continue to be reviewed monthly and discussed with the Board.

Approve 2026 Meeting Dates

The 2026 KTMA Board meeting dates were presented to the Board for approval.

A motion was made by Lucas Criswell to approve the 2026 KTMA Board meeting minutes. All in favor. Motion carried.

Appoint Angela Reome recording Secretary

A motion was made by Lucas Criswell and seconded by Clint Morris to appoint Angela Reome as recording Secretary. All in Favor. Motion carried.

A motion was made by Chris Baylor and seconded by Clint Morris to adjourn. The meeting was adjourned at 4:35pm. All in Favor. Motion carried.

Respectfully Submitted,

By: 
Contessa R Koch, Recording Secretary Pro Tempore