

KELLY TOWNSHIP MUNICIPAL AUTHORITY 03/18/26 MEETING MINUTES

At 4:00 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 and Director Matthew Aikey.

Citizens on Agenda:

Tim Turner representative of Housing Associates (Newman Commons) was present to ask the Board to approve and sign a Deed of Dedication for a manhole as part of Newman Commons that is in the Authority easement. Solicitor Rob Martin previously reviewed the Deed of Dedication and asked that Mr. Turner secure all other party signatures and return with the signed copy. He also stated that there would be a \$67.00 recording fee with the courthouse. Mr. Turner requested a motion contingent upon all required signatures.

A motion was made by Cody Lytle and seconded by Clint Morris to accept the deed of dedication to own and maintain the manhole as part of Newman Commons because it is in the Authority easement contingent upon securing all other signatures. All in Favor. Motion carried.

Executive Session:

- Executive session held at 4pm 2/5/26 for a personnel matter.
- Executive session held at 3pm 3/4/26 for a personnel matter.

A motion was made by Lucas Criswell and seconded by Clint Morris to approve 02/04/26 Meeting Minutes as recorded. All in Favor. Motion carried.

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

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

A motion was made by Lucas Criswell and seconded by Clint Morris to approve Construction Check# 1235 in the amount of \$25,318.02 to Hach Company for DO & PH probes. All in Favor. Motion carried.

A motion was made by Lucas Criswell and seconded by Clint Morris to approve Construction Check# 1236 in the amount of \$10,950.00 to Smith Service and Maintenance for replacement of 12" check valves and gate valves. All in Favor. Motion carried.

REPORTS

Solicitor's Report – Rob Martin, Esquire

Property Lien – 811 Highland Ave. West Milton

Solicitor Martin filed a lien against Ruth Snyder property located at 811 Highland Avenue, West Milton for delinquent sewer fees totaling \$642.40. The property was sold, and the lien was not satisfied at the time of the sale. Solicitor Martin is working with Shawna Klinefelter, the accounts receivable secretary, to collect the delinquent balance.

USDA Bond Counsel

USDA requires a name for someone to act as bond counsel for the Rt 15 sewer main replacement project. The legal services agreement was completed and signed by Laura B. Kurtz, Esquire of Eckert Seamans Cherin & Mellott, LLC, acting as bond counsel along with Solicitor Martin on behalf of the Authority. There will be two fees associated with Bond Counsel. They are as follows:

- Interim financing required to complete construction of the project, a fee of \$12,000.00 to Solicitor and \$22,500.00 to Bond Counsel. Payable at the time of closing of the interim financing.
- Government Loan/Grant fee of \$15,000.00 to Solicitor and \$27,500.00 to Bond Counsel payable at the time of closing of the Government Loan/Grant.

Also,

- Owner agrees to reimburse Solicitor and Bond Counsel on a dollar-for-dollar basis for out-of-pocket expenses and disbursements made or incurred on behalf of the Authority.

A motion was made by Cody Lytle and seconded by Clint Morris to approve the legal services agreement as written. All in Favor. Motion carried.

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

Kelly Crossroads Acquisition

The outstanding items required by USDA for the transfer of Kelly Crossroads Sanitary Sewer to Kelly Township Municipal Authority have been sent. They are as follows:

- Letter of Transfer from Solicitor
- Draft Bond & Bond Authority Resolution
- Statement from Township Solicitor of no Liens

Engineer's Report – Josh Satteson (HRG)

Rt 15 Sanitary Sewer Forcemain Replacement Project

HRG continues to work with the Authority to apply for funding with USDA for this project. The grant application through RD Apply is almost complete, but they requested an engineering report that shows allocation of Authority money to future projects in a master plan for the next 5-10 years. The plant projects are known but HRG would like to know the plans of the Authority for collection system and equipment.

Matt Aikey said that the estimated cost for collection would include \$50,000 for manhole rehab & \$50,000 for service main rehab which is a low estimate for just maintenance for a year. He would like to see an annual breakdown over a 10-year period. USDA just needs a timeline and a plan showing cost estimates for future projects.

The problem is that other Authorities of this size do not typically show such a large surplus in finances. The Authority must show USDA a plan for allocation of the current finances to get funding for this project.

Chris Baylor stated that the new building alone could be upwards of \$1,000,000.00 on the high side. Lucas Criswell agreed and said \$350,000.00 isn't out of the question for a plain building structure that is heated with a concrete floor.

Solicitor Martin stated that USDA understands the legitimacy of the approach because the facility is dated. It was built in the 60's and we have not done a whole lot to it.

Matt Aikey stated that the last items required for the application are the legal agreement, the budget and the engineering report. USDA would like to move quickly on this with an April 1st deadline in mind.

Harold Pawling Lane

Last September SEDA-COG approved grant funding in the amount of \$117,949.00 to replace 400' of sewer main and laterals for 10 homes. The application request was for \$290,000.00 and included the Authority putting \$29,000.00 toward the project. The Board agreed to accept the grant funding and wait to see if more funding is available this year to pay for the remainder of the project.

HRG plans to request the same amount of money again this year, but the money will not be awarded until June.

Roundabout Project

The HOP (Highway Occupancy Permit) was approved for the project by the Township. 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.

New Building

Bill Straight of T-Ross Brothers Construction contacted HRG to request data in order to provide a quote to build a new building to the west of the administrative building. HRG will provide all the current data that they have and will continue to work on obtaining what is still needed.

Proposal to Find and Reset Pins for Plant & BC#1

HRG consulted their survey group out of Harrisburg and looked at the original plant survey boundary to provide a proposal to reset the pins at the corners of the property along the south fence and a couple in between. A second proposal was requested to find and reset pins at the Buffalo Creek pumping station for the upcoming Rt 15 sewer main replacement project.

A proposal of \$3,500.00 was presented to the Board for the Plant and a proposal of \$5,000.00 was presented for Buffalo Creek. The proposals are based on an hourly basis for a team of two. The Buffalo Creek proposal includes all research for two parcels and an abandoned right of way. The proposal for the plant could possibly include the requested items from T Ross to PA One Call all utilities and provide topographical shots of the surface behind the current office building for construction of the new building.

Matt Aikey questioned which pins they would be locating at the plant. He thought that only one pin was missing and needed locating and that the Authority would like the items requested by T Ross to be included in the proposal.

HRG would need to get information on the gas line as they do not currently have it. Solicitor Martin said that he could obtain the easement information from the courthouse.

Clint Morris suggested giving T Ross everything that HRG has so far and waiting to approve the proposal. Cody Lytle suggested a spot check of all the utilities first and agreed that getting at least one other proposal for comparison would be in the best interest of the Authority for cost reasons. The Board agreed.

Executive Director's Report – Matthew Aikey

Kelly Crossroads Agreement

Matt continues to work with USDA to provide all necessary documents to complete the acquisition of the Kelly Crossroads treatment plant. He will follow up with Sean from USDA to see what else needs completed.

2026 Budget

The Authority currently operates under a fiscal year of April 1st to March 31st. It was discussed previously and recommended that the fiscal year be changed to reflect a full calendar year, January 1st to December 31st. This would be helpful when creating and presenting a yearly budget to the Board. The change would mean that an audit would be performed this fiscal year for April 1, 2025 – March 31, 2026 and a second audit would be performed for 9 months of the calendar year April 1, 2026 – December 31, 2026. The Board is in favor of switching to the calendar year.

A motion was made by Lucas Criswell and seconded by Clint Morris to change the Authority fiscal year to follow the calendar year effective 2026. All in Favor. Motion carried.

A budget was present to the Board for review and comment for the remainder of 2026. It shows the chart of account numbers currently being used for coding purposes but shows the DCED chart of accounts as well. Once the new computer software is updated with something more conducive to municipal authorities it will follow the DCED chart of accounts which is more uniform to the Authority needs.

The new budget is broken into sections. The first section is all forms of Revenue. This includes all monthly sewer rates, penalties, tapping fees, sludge process, USP income, grants/loans, interest and miscellaneous revenue. The next sections are Expenses. The expenses are broken into the following departments: Administrative, Kelly Crossroads, Treatment Plant, Collections, Machinery, Debt Service, Insurance Premiums and Interfund Transfers. Lastly, it shows a balanced budget for the year.

A motion was made by Clint Morris and seconded by Cody Lytle to approve the 2026 Budget as written and presented with the option to amend the budget by no more than 10% if needed. All in Favor. Motion carried.

(A copy of the 2026 Budget is included in the official meeting minutes.)

Sludge Income Report

The Sludge Income Report for February was \$12,136.00. Sludge disposal is picking up again with the weather changing.

Buffalo Creek#1 Generator

Matt Aikey got three (3) quotes to install a new generator at Buffalo Creek#1 pumping station. They are as follows:

1. Lecce Electric - \$50,989
2. Williamsport Electric - \$34,500
3. Hayden Power Group - \$52,500

A motion was made by Clint Morris and seconded by Lucas Criswell to award the generator installation at Buffalo Creek#1 to Williamsport Electric for \$34,500. All in Favor. Motion carried.

Chapter 94 Reports

The Chapter 94 reports for Kelly Township Municipal Authority and Kelly Crossroads Sanitary Sewer are complete and were submitted to DEP for approval. Both facilities are in compliance.

New Business:

New Billing

Star Seal contacted Matt Aikey regarding the new billing method of water consumption for the business. He met with Ed and Jeremy, and they requested permission to install a deduct meter because a lot of their water is process water which then evaporates into the air. It does not flow through the sewer system. Matt agreed and reviewed the specs of the meter provided by LB Water prior to installation. The meter will need to be read by an Authority employee each month. This reading will be deducted from the water consumption provided by Pennsylvania American Water to generate a more accurate monthly sewer bill. The Board agreed to work with Star Seal on this matter.

C&N Corporate Resolution

A resolution was presented to the Board from C&N Bank for signature to increase ACH total exposure from \$72,000 to \$160,000 for collection and batch payments. An increase was needed due to the recent rate increase causing the Authority to go over the previous limit set when processing the ACH customer payments.

Keystone Insurers Group

Keystone Insurers Group provided a monthly safety report. It was presented to the Board for review.

2026 Insurance Renewal

Matt Aikey met with Eddie Koebke and Jordan Leshner of Pfeiffer-Naginey Insurance to perform the insurance renewal review. There is just a small increase in the policy premiums. A copy was provided to the Board for review, and it will be approved at next month's meeting.

A motion was made by Cody Lytle and seconded by Clint Morris to adjourn. The meeting was adjourned at 4:46pm. All in Favor. Motion carried.

Respectfully Submitted,

By: 
Contessa R Koch, Recording Secretary Pro Tempore