

# **MINUTES**

## **SILVER SPRING TOWNSHIP AUTHORITY BUDGET WORKSHOP MEETING**

**November 9, 2010  
1:00PM**

The Silver Spring Township Authority met in a budget workshop session on Tuesday, November 9, 2010 at the Silver Spring Township Authority Treatment Facility, located at 60 Millfording Road, Mechanicsburg, Pennsylvania.

Chairman Brown called the meeting to order at 1:00PM.

Authority members present: Mr. Russell Brown, Mr. Dave Weihbrecht, Mr. Stephen Fisher, Mr. Richard Snelbaker, and Mr. Robert Mull.

Staff members present: Mr. James A. Stevens – Authority Manager, Mrs. Susan Hostetler, Office Administrator, and Mr. Ryan Rhoades – Authority Engineer.

Others present:

### **OLD BUSINESS OPERATING BUDGET DISCUSSION**

Mr. Stevens reviewed the first draft of the proposed 2011 Operating Budget with the board on a line item basis, providing justification for those items that have increased over the previous budget. Major items included a ten-manhole rehabilitation project with easement clearing, a roll-off lay-down pad at the WWTP, generator head gasket repair, three-phase emergency power connection installation at the Rahal pump station, and the obtainment of a 4” towable automatic pump unit for emergency and bypass pumping.

Total revenue in the amount of \$2,400,000 has been projected for 2011, and total expenses have been projected at \$2,300,000. The projected surplus of \$100,000 will be utilized for loan interest payments that have been obtained to fund the Trindle Spring Interceptor project and possibly several other extension projects that were identified in the Act 537 Sewage Facilities Plan as revised in 2006. The board directed staff to adjust several areas of the budget, and provide the adjusted budget as a second draft to be considered at the next authority meeting.

The Authority Board directed staff to prepare for discussion of the second draft budget at the Monday, November 15, 2010 meeting. Final approval of the 2011 Operating and Capital Budgets will be at the regular meeting scheduled for Thursday, December 16, 2010.

### **CAPITAL BUDGET DISCUSSION**

Ryan Rhoades, Authority Engineer, presented information prepared for the board with regard to the selection and timing of the sewer work for the Trindle Run Interceptor, Willow Terrace Sewer Extension, and the Shale Ridge Sewer Extension. The Willow Terrace and Shale Ridge project timing will be contingent upon the outcome of the H2O PA Grant funding that is to be awarded to successful applicants on or after November 16, 2010.

**FINANCING DISCUSSION**  
**- CAPITAL PROJECTS**

Mr. Rhoades led a discussion on a preliminary sewer rate analysis that he recently conducted, which had been initiated by Treasurer Mull, who did extensive calculations on different rate structures for the authority. Mr. Rhoades indicated that the present rate structure was effectively collecting rates in an equitable manner between residential and commercial class customers. A residential sewer flat-rate was calculated by Mr. Rhoades, which equated to approximately \$115.00 per quarter at current budget levels, not withstanding any increases necessary to meet cost increases for energy, chemicals, and capital projects driven by the Chesapeake Bay Initiative. Mr. Mull indicated that he did not feel that the present billing structure or a flat-rate residential fee structure was fair to low water use customers. The board had previously considered a flat-rate structure for reasons of economy of billing procedures and the alleviation of the problems inherent with the current deduction meter program and high water use in the second and third quarter-year periods due to water use outside the home.

No consensus was noted among the board for employing an alternative to the existing rate structure in effect. Mr. Snelbaker did indicate that in over twenty-five years of representing a municipality that employed a flat-rate sewer rental structure, he never experienced a customer complaint regarding their sewer bill.

A rate adjustment will be further discussed at the November 15, 2010 regular meeting.

**OTHER PERTINENT BUSINESS**

Nothing to report.

**ADJOURNMENT**

By general consensus, the meeting was adjourned at 3:17 PM.

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Recording Secretary

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Chairman