Budget Meeting Minutes

October 23 | 2026

Red Lion Municipal Authority Budget Meeting Minutes

Wednesday September 23rd, 2026

Members Present

Dennis Klinedinst - Chairman
Gary LaTulippe-Vice Chairman
Kelly Henshaw-Secretary
Nevin (Butch) Horne – Treasurer

Others Present

John Krantz- Superintendent

Meeting Agenda/Minutes:

- The meeting was called to order at 6:00 p.m. The pledge was recited and roll call was taken.
- Mr. LaTulippe made a motion to approve the agenda for the RLMA Budget Meeting on September 23rd, 2026, and Mr. Henshaw seconded.

Purpose: Review ongoing capital improvement projects, plan 2027 expenditures, and discuss long-term infrastructure needs.

Key Outcomes

- Major projects at Beaver Creek and Country Club Hills were confirmed complete.
- Fairmont tank cleaning, Green Branch/Beaver Creek intake dredging, and replacement of the Beaver Creek raw water transmission line remain major upcoming challenges.
- The Board discussed grant strategy and a mechanism to accumulate funds for paying off the 2012 PENNVEST loan.
- A new treatment plant truck was deferred; existing equipment will remain in service.
- Brick pointing will proceed immediately to prevent further winter deterioration.

Decisions Made

- **Building brick pointing:** Proceed immediately with Levi Ebersole of Bunker Hill, Strasburg, at an estimated cost of approximately $12,000.
- **Treatment plant truck:** Defer purchase for at least one year. Continue using the Gator and spare trucks until replacement becomes necessary, then reassign a spare vehicle.
- **AMI meter system:** Place on long-term hold because approximately 2,000 installed meters are not AMI-capable and replacement is currently too costly.
- **PENNVEST payoff:** Establish a separate PLGIT sub-account, such as "PENNVEST 2024 Payoff," for monthly transfers earning approximately 3.5% interest. Pay the loan in full when the sub-account balance equals the remaining payoff balance.
- **Grant applications:** Apply for an LSA grant for filter media replacement and pursue re-submission of the already drafted Country Club Hills I&I grant.
- **Windsor Township water line:** Coordinate timing for replacing the 2-inch galvanized main at First Avenue, estimated at approximately $400,000. Windsor Township will defer paving if the Authority plans to replace the line next year.
- **Union contract:** Defer negotiations to executive session; no discussion occurred on the record.

Completed Projects

- All Gorman Rupp pumps at Country Club Hills were replaced and are operational; payment is due in Q4.
- Schulte completed the $80,000 high-service pump replacement at the treatment plant.
- The Beaver Creek fine screen is installed and operating exceptionally well.
- One new Beaver Creek pump was installed and operating as of Monday 9/21/26.
- The Second Street/Windsor 2-inch galvanized main replacement and permanent road restoration are complete.
- A spare Beaver Creek VFD is warehoused for rapid deployment and can be switched between pumps, providing the redundancy required by DEP.

Active Blockers and Risks

- **Green Branch/Beaver Creek intake dredging:** Persistent rainfall has made access unsafe. Options include waiting for dry weather, assessing steel plates over the

culvert span, supplying a 3,000-gallon-per-minute Godwin pump for bypass, or finding another contractor if delays continue.

- **Regulatory pressure:** DEP noted the intake requires cleaning during its last inspection. The current inspector has been cooperative, but a firm deadline may eventually be imposed.
- **Winter access:** Snow and frozen ground may further complicate dredging, although concrete work has previously been completed in January under reasonable conditions.

Infrastructure and Capital Project Status

Pump Station B

Budgeted at $267,000. NTTAC will bid the work and engage a contractor. The project has moved from the current year to 2027. An engineering work order is in place, and the final estimate will be developed with NTTAC.

Beaver Creek Screen Replacement

Proposed budget and expected actual cost are approximately $450,000. Final billing has not been received.

Filter Media Replacement

Estimated at approximately $67,000 and targeted for 2027. LSA grant funding will be pursued.

Fairmont Tank Cleaning and Repair

- Estimated cost: $1.2 million for painting, cleaning, and repair of corroded interior sections.
- Pittsburgh Tank televised the interior and confirmed significant bottom sediment after approximately 15 years without cleaning.
- The proposed drain-down method is to lower the water level, close the valve, use the second tank to maintain pressure, and discharge the remaining water through a storm drain after dechlorination with sodium thiosulfate, subject to DEP coordination.
- Denali committed to removing biosolids after cleaning.
- Engineering prints must be reviewed to confirm drain routing and valve operability.
- Likely timeline: end of 2026, because of the current project backlog.

Beaver Creek Raw Water Transmission Line

- Identified as the next major long-term project, with an estimated cost exceeding $2 million for more than one mile of line; a portion has already been replaced.
- The new Beaver Creek pump is operating at the highest capacity the aging line is expected to experience, approximately 1,400 gallons per minute.
- Continue seeking grants and avoid borrowing if possible. Replacement will be necessary when the line fails.
- Tentative planning horizon: approximately two years before the project becomes critical.

Other Capital Needs

- **SCADA/Skate upgrades:** Approximately $1 million, proposed at roughly $200,000 per year over five years. The Board emphasized that work must begin.
- **CMB infrastructure:** Significant work remains. Solicitor Corey is communicating with CMB's solicitor.
- **Building brick pointing:** Budgeted at $6,000; Levi Ebersole's quote is approximately $12,000 for both sides of the building, front porch corner repair, sealant application, and other defect repairs.
- **Line locator:** A replacement unit is needed at an estimated cost of $5,000.

Grant Strategy

- The Authority has applied for LSA grants for five consecutive years without an award.
- The Authority qualifies only for the statewide LSA program; the second LSA tier is available to the borough but not the Authority.
- Re-submitting the previously prepared Country Club Hills I&I application would cost only a few hundred dollars.
- The Board acknowledged the political nature of grant awards and the Authority's difficult income profile: not low enough for poverty-tier grants and not high enough to self-fund major projects.
- Rental occupancy now exceeds 60%, which may improve eligibility for future poverty-based programs.
- The Board suggested exploring advocacy assistance from local representative Stan.

Financial and Budget Notes

- Q3 results are not final. Year-end budget projections will be completed after Q3 closes.
- Q4 expenses are expected to be above normal because payments for several completed projects will become due at the same time.
- As of the end of October, the Authority remains under budget but expects to finish slightly over after Q4 invoices, primarily for Second Street and Beaver Creek.
- The 2012 PENNVEST loan is paid monthly. Funds held in PLGIT earn interest, but PENNVEST does not credit early payments. The proposed dedicated sub-account would allow funds to accumulate with interest until a full payoff is possible.
- A Board member proposed investing municipal funds through Edward Jones at approximately 4.70% in municipal bonds. Solicitor Corey will confirm whether this is permissible.
- The current PENNVEST payoff date is 2045. The Board expressed concern that maintenance obligations will compound before the debt is retired.

Pending Confirmation

- Fairmont tank drain routing and valve operability, based on engineering prints.
- DEP coordination for the tank drain-down and dechlorination plan.
- Pittsburgh Tank scheduling for Fairmont cleaning.
- Whether Windsor Township or the Authority will pay blacktop costs for the First Avenue water-line project.
- Fairmont tank capacity: a Board member will provide a printout stating one million gallons; John believes both tanks are two million gallons.
- Legality of investing Authority funds in Edward Jones municipal bonds.
- LSA resolution for filter media replacement and confirmation with NTTAC on re-submitting the Country Club Hills I&I grant.
- Listing surplus trucks on Municibid.
- Retrieving the Gator from the baker's location, where it has been for approximately three weeks.

Action Items

Owner	Action	Timing

John	Review Fairmont engineering prints; confirm drain routing and valve condition; coordinate the drain-down plan with DEP.	Pending
John	Contact Pittsburgh Tank to schedule Fairmont tank cleaning.	By year-end
John	Set up a dedicated PLGIT sub-account for PENNVEST payoff funds and determine the monthly transfer during budgeting.	During budget process
John	Finalize Q3 results and complete the year-end budget forecast.	After Q3 close
John	Schedule brick pointing with Levi Ebersole.	Immediately
John	Follow up with Sean on dredging; assess the Godwin pump bypass and identify another contractor if delays persist.	Pending weather/access
John	Coordinate with Windsor Township on First Avenue timing and paving cost-sharing.	Before paving decision
John	List surplus trucks on Municibid.	Pending
John / Board	Ask Entech about re-submitting the Country Club Hills I&I grant with the filter media LSA application.	During grant filing
Board / Corey	Confirm whether Authority funds may be invested in municipal bonds through Edward Jones.	Pending legal review
Board member	Bring the Fairmont tank-capacity printout for clarification.	Next meeting

Next Meeting

- Revisit budget figures after Q3 results are finalized and year-end projections are available.
- Address union contract negotiations in executive session.
- Resolve outstanding Fairmont tank capacity, investment authority, grant-filing, and project-coordination questions.

Adjournment: Mr. Klinedinst adjourned the meeting at 6:45 pm

Respectfully submitted by: John M. Krantz