

**PENN TOWNSHIP MUNICIPAL AUTHORITY  
PERRY COUNTY**

102 Municipal Building Road  
Duncannon, PA 17020

April 25, 2006

The Penn Township Municipal Authority (Authority) met on Tuesday, April 25, 2006 in the Penn Township Municipal Building with the Duncannon Borough (Borough) Utilities Committee. The meeting was called to order at 7:00 p.m. by Chairman Robert E. Shaffer, Sr., who announced that the meeting was being recorded to aid in the preparation of the minutes.

Authority members present:

Robert E. Shaffer, Sr., Chairman (Left at 8:00 p.m.)  
Irene Graybill, Executive Secretary/Treasurer  
Henry Holman, III, Secretary  
Lee Wright, Assistant Secretary/Assistant Treasurer

Professional staff present:

Dennis Shatto, Esq., Cleckner and Fearen, (Solicitor)

Authority staff present:

Susan Long, Recording Secretary

Borough Utilities Committee members present:

Terry Brackbill  
Pat Brunner  
Duane Hammaker  
John Myers  
Susan Smith, Esq., Reager & Adler

The purpose of this meeting was to discuss the proposed Interconnection Agreement (Agreement) concerning the water supply to Petersburg Commons. Chairman Shaffer initiated discussion on what he felt were the top three concerns of the Authority

**Location of Meter Pit**

Chairman Shaffer stated his understanding that the construction and location of the meter chamber in Petersburg Commons might be an issue with the Borough, and offered that the Authority was prepared to take the responsibility for construction of the chamber. He asked what the Authority needed to do to start construction. John Myers offered that the Borough did not have an issue with its location, as long as it was located before the first meter. A potential location east of Lot 71 was then discussed, with Chairman Shaffer offering that the Authority would authorize its engineer at its next meeting to start the necessary construction drawings, based on the standards provided by Glace Associates, the Borough's Engineer. He also requested the Solicitor begin researching available rights-of-way (ROW).

Mr. Myers stated that the Borough's biggest concern is flotation of the chamber, in that the top elevation of the location is three feet above the 100-year flood plain. Chairman Shaffer

responded that the concern would be addressed by the engineer. Mr. Myers stated that the meter would be provided and installed by the Borough.

### **Payment Rates and Terms**

Chairman Shaffer noted that the Authority feels the tariff speaks for itself and it is not necessary to address rates in the Agreement. Susan Smith responded that every place there is a reference to a rate, the draft Agreement refers to the "then current Duncannon water tariff."

### **Sewer Connections**

Chairman Shaffer offered that the Authority feels it is more appropriate for sewer connections to be addressed in the Intermunicipal Agreement, which relates to sewer service. He stated that the Authority would accept a letter stating the Agreement did not guarantee sewer connections being attached to the Agreement, but did not wish to intermingle sewer issues with water issues. John offered that past experience shows that, if it is not included, it will cause later trouble for the Borough when the Authority questions why water was provided when sewer was not available. Ms. Smith stated that the proposed wording is simply an acknowledgement that water connections do not guarantee sewer connections. At this point, it was decided to move to another topic of discussion.

Wording of the Agreement proposed by the Borough was used for the remainder of the evening's discussions.

### **Page 1, Third "Whereas"**

The Solicitor suggested removal of this paragraph because he was unsure how precise the information was. He offered that if it was accurate it did not matter to him if it remained or was removed. He also questioned defining "Service Line" if it did not appear again in the Agreement. After discussion, it was the consensus to keep the paragraph, with Ms. Smith noting that "Service Line" appeared later in Section 5, but that she would remove the word "Distribution" in Section 5.

### **Page 2, Section 1 – Rates**

The Solicitor suggested replacing Sections 1 and 2 with verbatim language from the PUC Opinion and Order (Order), because the Borough's language was not exactly what was in the Order, and it may or may not mean the same. He stated that the Agreement should reference that the rates are as provided for in the Order and that if specificity is desired, the language of the Order should be parroted. Ms. Smith responded that the Agreement was not intended to solely respond to the Order, but to set up a relationship between the parties. She continued that, if an Order was not involved, the Agreement would be structured similar to that proposed by the Borough, which references the "then current water tariff". She suggested that, instead of parroting language of the Order, the Agreement should refer to the Order and have the Order attached.

The Solicitor offered that paragraphs from the interim report of Judge Weisman may need to be included, with Ms. Smith responding that the Order was the final decision and the Authority can not go back to an initial decision. She asked the Solicitor to cite a specific provision in the initial decision that was not addressed by the Order. The Solicitor stated that the Order did not address rates, with Ms. Smith responding that paragraphs 5, 8, and 9 of the Order does address rates. The Solicitor stated that the Borough never filed exceptions to those rates and Ms. Smith stated that it did except to them. She offered that rates are not open-ended and that the Order has

closed the door on all issues dealing with rates, and that it should be referenced in the Agreement. She noted that the Borough is referencing the Order and the Solicitor noted that he is quoting from the Order. Ms. Smith stated that the Borough is not re-wording or re-writing the Order, but is instead simply referencing it.

Chairman Shaffer suggested that Ms. Smith include paragraph "9" with "5" and "8" in the first sentence of Section 1. The Solicitor will determine if other paragraphs in the Order dealing with rates should also be referenced.

### **Section 2 – Meter Reading/Billing**

Ms. Smith stated that Section 2 details meter-reading responsibilities for pre- and post-installation of the master water meter. The Solicitor noted that Section 2.b. does not say that the reading will be run through the rate block one time. Ms. Smith stated that the Borough can add "as consistent with Paragraph 8 of the Order." Chairman Shaffer noted that installing a meter is one thing, but getting the "bugs" worked out might take several months. Ms. Smith suggested referencing Paragraph 9 of the Order, which reads "upon installation, testing for accuracy, and placing into operation, the Borough will begin billing..."

### **Section 3 – Payment**

The Solicitor stated that he deleted Section 3 because the water tariff deals with payment terms, and because it is not accurate. He noted the wording, "PTMA shall pay the bills...on or before the due date appearing on the bill" and stated that the bill could show the due date of two days before, whereas the water tariff talks about time periods for billing cycles. Ms. Smith suggested the following wording, "PTMA shall pay the bills issued by Borough as provided in the Borough's water tariff. In the event PTMA fails to make timely payment..."

### **Section 4 – Master Water Meter**

Ms. Smith noted that subsection "a" specifies the Borough will purchase, test, install, operate, maintain and own the meter and subsection "b" deals with the infrastructure provided by the Authority. She stated that the Borough has adopted standards for setting the meter and the expectation is that the Authority would engineer to those standards. Chairman Shaffer stated that the engineer would follow those standards when drawing up the specifications for the infrastructure and the Authority would expect the Borough to review and comment on those specifications. Further discussion on standards ensued, with agreement that the Borough will not warrant the Authority's workmanship and the Authority will not warrant the placement of the meter. There will be a mutually applicable indemnification provision.

Ms. Smith noted that the Authority has asked for construction to be completed in 180 days instead of the 120 days requested by the Borough. Ms. Smith noted the Order's deadline for completion of January 2007. A discussion was then held on the time frame needed for construction and installation of the meter pit and meter. It was the consensus of the Authority that its engineer would be authorized to begin drawing up the specifications at the May 3, 2006 meeting and that, within 60 days, the specifications would be provided to the Borough. The bidding and awarding of the contract would take two – three months after Borough approval of the specifications. Duane Hammaker stated he would not like to see the project delayed because of winter weather conditions and offered he would like to see if it could be done within a five-six month window. Chairman Shaffer replied that he would be nervous if the Authority had to incorporate "hard" dates into the Agreement. Mr. Hammaker stated that was not what he was looking for, just a reasonable time frame to accomplish the project.

### **Section 5 – Authorized Water Connections**

Ms. Smith noted that the Borough is requesting a disclaimer that the supply of water does not guarantee the availability of sewer connections. The Solicitor responded that he had suggested the following wording, “Duncannon is not obligated to serve any customers in the service area of the Authority beyond the aforesaid 71 residential units.” Ms. Smith responded that she had no problem with removing “up to” in the first sentence or incorporating the Solicitor’s suggestion, but that the Borough wanted to retain the final sentence in Section 5.

At this point, discussion moved on to other issues.

### **Section 7 – Water Usage**

The Solicitor suggested that the second sentence, “PTMA shall attest to the accuracy of its meters” be removed because after the master meter is installed, accuracy of the residential meters will not matter. Ms. Smith responded that the sentence was included because accuracy does matter until the master meter is installed. The Solicitor suggested that the section should state that it is applicable only until the master meter is operational.

### **Section 8 – Fire Protection**

Mr. Myers stated that Section 8 would be unnecessary after the Agreement is approved and that the current monthly \$13.13 charge per hydrant would no longer be assessed to the Township. After the Agreement is approved, the Authority would be billed for water used at the hydrant on the basis of the meter reading. Ms. Smith added that before the master meter is installed, the Borough needs assurance that water from the hydrants is used solely for fire protection and flushing. The Solicitor responded that the Authority can provide assurance that it will not use water except for those purposes but cannot provide assurance that others will not commit criminal acts. Ms. Smith stated that it becomes a management issue to prevent theft of service. Mr. Myers explained that the meter will provide readings of both fire hydrant and domestic water use.

### **Section 9 – Flushing**

Ms. Smith noted that the only difference in the two proposals is that the Solicitor changed “to the maximum extent possible” to “to the maximum extent reasonably possible.” She stated that the issue was that it was important that both parties coordinate their flushing schedules.

### **Section 12 – Modification**

The Solicitor stated that he had added “terms and conditions not specifically provided for in the Agreement would be governed by the Borough’s applicable tariff provisions for nonresidential service to a customer for purchase of water for resale.” Ms. Smith suggested “to the extent not specifically provided for in this Agreement or the Order, the terms and conditions of service to the Authority shall be governed by the Borough’s then current tariff provisions for bulk service.”

A further discussion was then held on the usage of fire hydrants with the Solicitor noting his understanding that a hydrant charge would continue to be assessed. Mr. Myers stated that charge would no longer be assessed, and that the Authority would be charged for water drawn through the hydrants. He added that a meter charge of \$93.74, based on the size of the meter, would be assessed each month, in addition to a consumption charge for the amount of water flowing through the meter.

### **Section 5 – Authorized Water Connections**

Mr. Myers noted that the Petersburg Commons sewer line is connected to an un-metered point of connection (POC) and that capacity has never been increased at that POC. Mr. Hammaker stated that the Borough wants a statement included that the Agreement does not automatically provide for extra sewer capacity. The Solicitor noted that the Borough has already put the Authority on notice to that effect and added that the Authority was reluctant to include a sewer issue in a water agreement. Henry stated his understanding that this was only a statement included in the Agreement and he did not have a problem with its inclusion. The Solicitor noted that, with only three Authority members present, no decision should be reached that evening. He offered that the Authority would discuss the issue at its May 3, 2006 meeting.

Ms. Smith stated that she would have her revisions ready for the Borough by the next day for its review, after which she would forward them to the Solicitor.

At 8:35 p.m., there was a Holman/Wright motion for adjournment. Motion passed.

Respectfully Submitted,

Susan E. Long  
Recording Secretary