

**PENN TOWNSHIP MUNICIPAL AUTHORITY
PERRY COUNTY**

102 Municipal Building Road
Duncannon, PA 17020

May 3, 2006

The Penn Township Municipal Authority (Authority) met on Wednesday, May 3, 2006 in the Penn Township Municipal Building. The meeting was called to order at 7:00 p.m. by Chairman Robert E. Shaffer, Sr., who led the group in the recitation of the *Pledge of Allegiance* and a moment of silence. Chairman Shaffer then announced that the meeting was being recorded to aid in the preparation of the minutes.

Authority members present:

Robert E. Shaffer, Sr., Chairman
Franklin Reidlinger, Vice-Chairman (Arrived 7:45 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, (CF), Solicitor
Don Lavine, The ARRO Group, (ARRO)
Frank Grottola, Resident Project Representative (RPR), ARRO
Dennis Crabill, P.E., Buchart Horn (Engineer)

Authority staff present:

Edward Chism, Plant Operator
Sam Auxt, Inspector
Susan Long, Billing and Payroll Clerk, and Recording Secretary

Visitors present:

John Myers Paul Soltis
Jodi Rissinger William Hill
Henry Holman

Minutes

After discussion, and upon a Wright/Holman motion, the Authority voted unanimously to approve the April 5, 2006 minutes as presented.

Visitors

Henry Holman, Jr., Penn Township Supervisor (PTS)

Mr. Holman announced that he had recently forwarded a set of questions to Solicitor Shatto through the PTS solicitor and stated that he now had additional questions. He asked how the water tapping fees were established, offering that he thought they were high, considering the low expense for acquisition of the systems. He asked that Mark Derr, the financial advisor, provide the total amount of money received from the Catholic Diocese for reservation of capacity. He

also requested a copy of Mr. Derr's report on the Authority's financial situation as soon as it is available.

Mr. Holman stated that he did not understand why Jim Kocher, a previous Authority member, had commented at the April 5, 2006 meeting that there was no need to raise rates. He explained that past audit reports, as well as PENNVEST applications, all indicated the necessity for rate increases.

Mr. Holman stated that he had copies of letters from the Solicitor to Duncannon Borough (Borough) regarding the arbitration of the Water Street sewer project and expressed concern that this legal correspondence expense continues to be authorized by the Authority.

Mr. Holman offered that construction of the water meter vault at Petersburg Commons will not be as difficult as it was made to appear at the April 5, 2006 meeting.

Mr. Holman stated that the Authority needs to receive Community Development Block Grant (CDBG) funding next year. He urged that the Authority start thinking now about applicable projects and file the application early. He offered his opinion that the Perry County Commissioners (Commissioners) will give consideration to applications that are filed in proper format on a timely basis.

Mr. Holman offered that he believes cuts in expenses could be made in the 2006 budget. He added that he would ask Mr. Derr when he thinks rates could be reduced in the future.

Mr. Holman then passed out copies of the questions that he wished to have answered.

Paul Soltis

Mr. Soltis questioned if the CDBG application had been filed late with the Commissioners, and if so, why. Upon questioning by Chairman Shaffer as to who prepared the application, Irene responded that Franklin and she had worked on it. Irene explained that the Authority was late getting the application to the PTS office and the PTS office was late forwarding the application to the PTS for signature. She stated that she had contacted Omar Syed earlier that day and was told by him that failure to meet the application deadline was not the reason funds were denied, rather that it was because the project was already in progress and near completion. She continued that she called Sharon Charles at the Commissioner's office, who gave her the same answer, and who contacted Mr. Syed and requested that he fax his earlier response to Irene. Irene stated that she would provide a copy of Mr. Syed's fax to anyone who wanted to see it.

Mr. Soltis asked if the Authority would have received the funding had the application been filed on time. Irene repeated that the filing date had nothing to do with rejection of the application.

Mr. Holman offered that the previous year's application had been for grinder pumps, which were eligible for funding, but funding was denied. He continued that the Authority then filed one year later for the same grinder pumps at the same amount of money, when it should have requested something different. He urged that the Authority start thinking of possible projects for the future, citing improvements to the water system or Authority facilities as an example. Mr. Holman said that Irene was correct in her explanation of why funding was not awarded.

William Hill, 1132 State Road

Mr. Hill stated that he had a verbal agreement with Mike Diller of Doli Construction to allow Mr. Diller to store project equipment and materials on Mr. Hill's parking lot in exchange for paving it. He stated that Mr. Diller was now backing out of the agreement and asked for Authority support.

Chairman Shaffer asked if Mr. Hill had anything in writing and Mr. Hill responded he did not. Don Lavine offered that typically the project contractor makes private arrangements for

storage of equipment and materials, without client involvement. He offered to discuss the issue with Mr. Diller and said there would be nothing more he could do for Mr. Hill because it was a private agreement and not part of the contract between the Authority and the contractor. The Solicitor agreed with Mr. Lavine that the Authority had no part in the agreement. Chairman Shaffer then summarized that Mr. Lavine will speak to the contractor, but that it is an issue between Mr. Hill and the contractor.

Inspector's Report See Inspector's Report for May 2006.

The Master Meter reports were reviewed. Chairman Shaffer noted that the readings at the Clark Street wastewater flow meter continue to gradually increase, with the Inspector requesting that discussion be delayed until the arrival of the Operator.

The following items were discussed:

Sheetz Car Wash – The Inspector stated that he had been requested to research the use of recycled water at the car wash. He reported that it uses clean water when applying soap and wax and during the final rinse at an approximate usage of twenty gallons per vehicle washed. He continued that, when a malfunction occurs with the recycling process, a by-pass switch activates the well, but the technician at the site stated that the recycling process appeared to be functioning normally.

The Inspector stated that, during the course of taking BOD samples in that area earlier in the day, a sample was taken at the car wash for evaluation.

Jay Mutzabaugh Easement – The Inspector reported that Jay Mutzabaugh had signed his portion of the easement agreement, but the signature of the ex-wife needed to be obtained, as well as documentation as to the ownership of the Fasick property.

Jim Scholl Property, 218 Schoolhouse Road

The Inspector reported that a complaint had been received that day from a neighbor that raw sewage was flowing in the back yard of the Scholl property. He stated that the Operator and he investigated the complaint and determined that it was not black water, but surface run-off from a foundation drain

Grease Trap Sizing – The Inspector reported that he had received information from the International Plumbing Code from Dave Matafka, the UCC inspector for Glace Associates, regarding requirements for the sizing of grease traps. He stated that Section 3.240 of the Rules and Regulations (R&R) specifies that grease/grit traps shall be provided in accordance with the rights of the latest edition of the BOCA National Plumbing Code. Discussion was then held on the difference between the International Plumbing Code and the BOCA National Plumbing Code, with the Inspector requested to contact Mr. Matafka for clarification and determination if the R&R should be revised to refer to the International Plumbing Code.

Cove Centre Record Drawings and Deed of Dedication – The Inspector stated that record drawings have been received for Cove Centre and that he would check to see if mylar copies were also received. The Solicitor offered that a draft copy of the deed of dedication was being reviewed by the developer's engineer and that he would follow up on its status. The Inspector stated that he would do the follow-up on the deed of dedication when he makes contact about the mylar copies.

Susquenita School District – The Inspector reported that he had received and reviewed the record drawings for the Preston property sewer extension and that they appeared satisfactory. He added that the Engineer had reviewed and discussed them with the developer's engineer, who since has informed the Inspector that he would forward two paper copies and one mylar copy of the record drawings to the Authority.

Business Campus One (BCO) – The Inspector stated that he has made no follow-up regarding the deed of dedication and record drawings for BCO because he thought the Authority had sent a letter requesting the documents. Irene reported that a letter had been sent and that is also required all monies owed to the Authority must be paid before the Authority accepts the facilities.

Cove Centre Grease Trap – Henry asked about the status of the Cove Centre grease trap and the Inspector replied that it appeared to be working satisfactorily. The Inspector offered his opinion that it was a matter of having the grease trap cleaned properly and adhering to a maintenance schedule, adding that it would probably need cleaned out in the near future. Henry asked if the grease trap falls under the R&R guidelines with the Inspector responding that he can not verify that it is a BOCA Code approved grease trap. Chairman Shaffer asked who can determine if it meets the code, and if it does not, what options exist. The Engineer offered that it might not be easy to determine if it meets BOCA Code requirements. He offered that its configuration might require a two-week or shorter pumping schedule. The Inspector stated that it is being inspected every week. Henry voiced his concern over the amount of difficulties created for the Inspector and Operator by the grease trap, as well as the expense for them to continually inspect it.

Plant Operator's Report See April 2006 Operator's Report

DMRs – (see written Discharge Monitoring Reports dated March 2006). The DMRs were reviewed with the note that the average influent BOD level of the Cove wastewater treatment plant (WWTP) was 413 mg/l, which is above the design amount of 240 mg/l. The Operator offered that BOD samples were taken earlier in the day in an effort to find the cause of the high level. He then extended an invitation that Authority members contact him at any time with questions.

Clark Street Wastewater Flow Meter – The Operator reported that the meter is shutting down and then immediately restarting and that Tri-Star re-grounded it, installed new wire, and removed the lightning protection. He stated that the gradual increase in readings can probably be attributed to Tri-Star changing the parameters of the meter. He stated that, with the assistance of Borough representatives, the Inspector and he would switch the meter base with the Ann Street flow meter. The Inspector recommended that, in the future, when a requirement is made to the Authority to install a metering system, the installed system be a positive displacement system similar to the one used in Lower Duncannon, as opposed to using a flow-through flume. A discussion was then held on the difficulties involved in metering an open-channel gravity flow, where there is low volume flow, with accuracy.

Sunshine Hill/Petersburg Commons Water Systems – The Operator noted that the Act 220 annual primary facility reports were filed and were available for review on-line.

Cove Collection System – The Operator reported that BOD samples were taken earlier in the day and noted that the grease situation in the Cove Centre grease trap has greatly improved.

Chairman Shaffer noted his previous question about what the Authority could do if the grease trap is not BOCA Code approved. Henry restated his concern over the amount of time the Inspector and Operator need to devote to the operation of the grease trap. The Operator responded with two options, replace it or require a strict pumping schedule. He added that a weekly inspection would still need to be made of the 55-gallon barrels that collect the fryer grease. He stated his understanding that it was a previous consensus that invoices should be submitted to the Authority whenever the barrels were emptied. He added that businesses were informed that copies of grease trap cleaning reports were required to be submitted to the Authority and suggested that businesses with 55-gallon barrels for the collection of fryer grease be requested to do the same. Henry asked why the barrels were being monitored. The Operator replied it was to see if fryer grease was being correctly disposed of. Irene was requested to send letters to businesses, informing them of the need to submit copies of the invoices when their 55-gallon barrels are emptied. Chairman Shaffer offered that he preferred a stringent pumping schedule instead of replacing the grease trap. The Operator recommended that Cove Centre be mandated to pump the grease trap once a month, with the frequency to be re-evaluated later. After discussion, it was the consensus for Irene to send a letter to the owner, informing him that the grease trap must be cleaned at least once a month, with a related pumper/hauler cleaning report to be submitted to the Authority.

Cove Collection System – The Operator reported that he and the Inspector reviewed the spare parts list and that the two E ONE power cord adapters have not been received.

Construction Phase Engineering Report See written report dated April 26, 2006

Contract 04-01 – Don Lavine reviewed the work completed to-date by Doli and stated that the final completion date would be May 6, 2006. He stated that four grinder pumps still need to be inspected. Mr. Lavine stated that a final walk-through of the entire project area will be scheduled with the contractor. He was requested to notify Franklin and the Inspector of the date.

Mr. Lavine advised the Authority that the contractor has submitted Application and Certificate for Payment No. 11 in the amount of \$94,142.95.

Contract 04-02 – Mr. Lavine stated that there has been no change since last month. He added that he has rejected the record drawings, pending minor revisions. He stated that he has the O&Ms for this contract and will wait until he has them from all contracts before forwarding them to the Operator.

Mr. Lavine advised the Authority that the contractor has not submitted an Application and Certificate for Payment.

Contract 04-03 – Mr. Lavine presented a letter from Site Specific regarding surface water in the drywell portions of some of the grinder pumps, which stated that that factory warranty is not affected in any way by surface water.

Mr. Lavine advised the Authority that the contractor has not submitted an Application and Certificate for Payment.

Complaint Log Spreadsheet – Mr. Lavine reviewed the complaint log and added that a complaint regarding property at 106 Firehouse Road will appear on next month's report. Irene reported that she has received a complaint that the grass seeding on Hill Top Road is not working and offered that it was probably due to dry conditions. Franklin noted that there was no complaint listed from Toni Maria Casale. Mr. Lavine replied that he would research the log to see if her name

was omitted. Jodi Rissinger asked about the status of her complaint, noting that she wanted to be on record with it. She stated that the contractor was having a hard time finding the type of flowers that were to be replaced, and that she was to obtain them and send him a bill. Mr. Lavine stated that restoration work to be completed will be noted during the walk-through and that the contractor has provided a one-year warranty which starts when the Authority accepts substantial completion. Irene also noted that she had received several compliments on the quality of the work done by the contractor. Franklin stated that he had the opportunity to work with the contractor and found the employees were exceptional to work with. Comments were then made by other members of the staff concerning the good job done by the contractor and his employees. Franklin made a motion to send a letter to the contractor commending him on the exemplary conduct of his employees through-out the duration of the project. Irene seconded the motion. Motion passed by unanimous vote of the Authority. Franklin and Irene will compose the letter. Franklin then thanked the Operator and the Inspector for the assistance they provided during his recent absences.

Insurance Review – Mr. Lavine reported that he had received an e-mail from Andrew DiProstero of H. A. Thompson listing the current valuation of the Cove WWTP at \$150,000 and requesting the additional value resulting from the recent update of the facility. Mr. Lavine stated that the improvements were \$773,256 and offered his opinion that the Authority might be under-insured.

Duplex Grinder Pump – Mr. Lavine reported that there is one duplex grinder pump remaining from the project and stated that the contractor would sell it to the Authority for \$4,887.50. He noted that it was a floodplain-type pump that could be installed at any location. After discussion, there was a Reidlinger/Graybill motion to keep the duplex grinder pump, with the additional \$4,887.50 cost to be included in the construction cost total. Motion passed by unanimous vote of the Authority.

After discussion, there was a Graybill/Wright motion for approval of Application and Certificate for Payment for Contract 04-01, Application No. 11, in the amount of \$99,142.95. Motion passed by unanimous vote of the Authority. Next there was a Graybill/Reidlinger motion for approval of PENNVEST Reimbursement Request No. 15, in the amount of \$147,408.11. Motion passed by unanimous vote of the Authority.

Release of Sewer Lines – Mr. Lavine stated that he had been requested to divide the project into three separate areas for purposes of issuing connection notices. He stated that each area included approximately sixty-five EDUs and recommended the following divisions – Phase 1 to encompass the area from the northern extension to approximately 1,200 feet south of Dino's Grille, Phase 2 to encompass the area from Dino's south to Hill Top Road, Phase 3 to encompass the remainder of Rt. 11/15 and Firehouse Road. He explained that the sanitary sewer system is self-contained and the area can be connected in the order the Authority decides.

Henry asked if there was a recommended flushing maintenance procedure for the sewer lines. Chairman Shaffer responded that the Authority did not contract for an O&M manual and asked the Operator if there was a need for one. The Operator replied that he would need to give consideration to the idea before he gave a concrete answer.

Chairman Shaffer then voiced concern that a release letter for Phase 1 would be issued by Mr. Lavine in the very near future and that the Authority needs to compile a detailed connection procedure. It was discussed that, at the very least, Mr. Holman, Mr. Matafka, the Township secretary, the Engineer, and the Inspector need to meet with the Authority to outline that

procedure. It was decided to advertise a meeting for May 16, 2006 at 6:00 p.m. All parties were requested to bring all relevant forms and information to the meeting.

Imprinted Manhole Covers – The Inspector reported that Rick Fleeman had offered the extra "PTMA" imprinted manhole covers to the Authority but the Inspector had not found any of them. Mr. Lavine stated he would check to see where they might be. Chairman Shaffer requested that the Inspector check to determine if the covers were interchangeable with those installed in other areas of the township.

Simplex Grinder Pump – Irene reported that the real estate agent for the lot at 1 Woodland Drive has requested the cost of the connection fee and grinder pump. She stated the real estate agent was told the connection fee would be \$3,500 and that the owner would need to purchase and have the grinder pump installed. She asked what the cost of the grinder pump would be. After discussion, it was determined that the cost of the grinder pump would be \$2,500.

Engineer's Report See written report dated April 28, 2006

The following items were discussed:

John Warden Subdivision Plan, File #2005-06 – The Engineer reported that he had not received a re-submittal of this plan from the developer.

Kinkora Land Development Plan, File #2005-05 – The Engineer reported that he had not yet received the Authority's approval to review Kinkora's plan because Kinkora had not yet established an escrow account.

Petersburg Commons Water Meter Vault – The Engineer reminded the Authority that he had presented a cost proposal for engineering services related to the Petersburg Commons water meter vault on March 1, 2006 for later discussion. He re-presented the proposal detailing the scope of services, Authority responsibilities, and assumptions for a cost not to exceed \$13,500. It was the consensus to discuss the proposal during executive session later in the meeting regarding legal matters.

Additional Engineering Services – The Engineer noted that Buchart Horn has provided forty hours of financial, budgetary, and flow analysis assistance outside of the contracted scope of services. He stated that he would need approval to establish a job number for invoicing those services. Lee commented that the Engineer was of tremendous value during budget preparation. After discussion, there was a Wright/Holman motion to authorization payment of \$4,560 for additional services to-date. Motion passed by unanimous vote of the Authority.

Insurance Review – The Engineer reported that he had been requested to provide input into the insurance needs of the Authority and offered his opinion that the Authority was grossly underinsured, noting that the replacement value of Authority assets is approximately \$3.2 million. It was discussed that not all assets would suffer losses at the same time, which should impact the total premium cost. After discussion, Irene was requested to contact H. A. Thompson to determine the insurance premium for a replacement value of \$3.2 million.

Water Tapping Fee – The Engineer asked how the Authority would like him to answer Mr. Holman's question about the water tapping fee – by telephone or meeting. It was decided that he would talk to Mr. Holman immediately prior to the May 16, 2006 meeting.

DEP Exemption Mailer for Jefferson Street – The Engineer reported that he was given a Planning Module Mailer that evening for a three-lot subdivision in the Jefferson Street/Eisenhower Boulevard area but noted that the sewer flows into the Borough's WWTP and that it should be given to the Borough for approval. Irene will forward it to the Borough. The Solicitor referred to his letter of April 21, 2006 to the Authority in which he expressed his discomfort in compiling a letter to the developer of the subdivision stating that there was water capacity for the three lots, without authorization from the Authority. Upon the Operator advising the Authority that the Sunshine Hill water system could provide water to the subdivision, the Executive Secretary was requested to inform the developer that water was available from the Authority, and that the DEP Mailer was forwarded to the Borough.

Potential Conflict of Interest – The Engineer reported that he had recently been made aware that another Buchart Horn engineer was compiling a proposal to perform subdivision/land development work in Penn Township. He stated that he also found out that the transportation department had not checked to see if Buchart Horn was the engineer for Penn Township prior to compiling a traffic study for Windsor Company, for a 733-unit subdivision in Cove/Perdix. He apologized that the traffic study had Buchart Horn's name on it, and added that it was not connected with what Buchart Horn does for the Authority. He stated that, because Windsor Company liked the traffic study, he was instructed to ask the Authority if it had a problem with Buchart Horn doing the subdivision plan. He reiterated that, while he was not happy that the traffic study was performed, it did not directly affect anything with the Authority. The Operator offered that if the Engineer did not think it directly affected anything, he should think again.

The Engineer stated that, upon further investigation, he determined that other engineers at Buchart Horn were doing sewer and water studies for the proposed development. He offered that if, in fact, the development flowed through the Cove WWTP, the additional EDUs would help the Authority's financial situation because the developer would build the sewer facilities and pay for a plant upgrade and the Authority would get 733 user fees. Chairman Shaffer noted that there is no space for a plant upgrade, with the WWTP backed up against wetlands. Irene noted that the Engineer was correct in that the developer would pay to construct the facilities, not the Authority. The Engineer offered that it was an unfortunate situation to happen but, not knowing the political implications, thought it might not be a horrible thing because of the financial advantage. He repeated that he was instructed to ask if Buchart Horn could compile the subdivision plan.

Irene asked what it had to do with the Authority, with Chairman Shaffer explaining that the potential is there for conflict of interest. Henry stated that he wanted to be on record as objecting to it. Franklin asked for clarification on the conflict of interest. The Engineer offered he did not know that there would be a conflict of interest for the subdivision plan itself because he would not be involved in that, since it had nothing to do with the infrastructure. Franklin asked where there would be a conflict of interest, whether it would be Buchart Horn or another engineering firm doing the work. The Engineer replied that if something came to the Authority that needed to be approved in the subdivision plan, like the sewers would be, he would not be able to review them. He added that sewers would not be part of the subdivision plan, but sewer capacity issues might be.

Henry noted that he appreciated the honesty of the Engineer. The Engineer related that he does not like Buchart Horn being involved in development work, because of potential conflicts. He again apologized for the traffic study. After discussion, it was the consensus for the Engineer to report back that the Authority was opposed to Buchart Horn preparing the subdivision plan for Windsor Company. Henry asked that the Engineer inform the Authority if Buchart Horn decides

to prepare the subdivision plan. The Engineer responded that, if that does occur, he would have to resign from his position with the Authority.

Solicitor's Report See written report dated April 28, 2006.

The following issues were discussed.

Russell Lawsuit – The Solicitor explained that Mr. and Mrs. Russell had filed suit (which has since been dismissed) against the Authority, the County of Perry, and land owners of neighboring properties. He stated that they want to purchase land on Hill Top Road and are claiming that the Commissioners are owners of the property. He continued that the tax maps show that Jim Scholl is the owner and that the Authority obtained sewer easements from him. The Solicitor stated that the law suit was filed to determine who the actual owner is. He said that the outcome will not affect the Authority, because the County will grant an easement if it is the owner. He noted that if the County is the owner, the Authority is entitled to a reimbursement of the easement fees paid to Mr. Scholl. As an aside, the Inspector noted that Mr. Scholl has since sold some of the property to Mr. and Mrs. Stoak.

Correspondence with Reager & Adler – Mr. Holman noted a copy of a letter dated April 28, 2006, which he had obtained from the Borough, that was sent from the Solicitor to Linus Fenicle and was not in his packet. He asked if he received copies of all the correspondence between Mr. Fenicle and the Solicitor. He also asked if the Solicitor had provided a copy of Mr. Fenicle's response dated May 1, 2006 to the Authority. The Solicitor responded that, it is his practice to provide the client with a copy of all letters he sends or receives, and if any are missed it is done inadvertently. He stated that, if it was dated May 1, 2006, it was possible the Authority had not received it yet, with Mr. Holman agreeing. Irene stated that she had not received it yet and asked if Mr. Holman had one. He replied that he had requested a copy from the Borough because he does not always get copies of documents in his packet. Irene stated that maybe she should go to the Borough before she makes up the packets to see what letters they have that she doesn't have, because he has more information than she does. Mr. Holman stated that he was just asking if, when letters are here, does he get copies. He stated that he finds it strange that the letters make it to the Borough office but not to the Authority office. Irene suggested that Mr. Holman check the Authority office because if she had them, she would give them to him. She stated that she is sick and tired of being accused by Mr. Holman. Henry offered that she was misinterpreting Mr. Holman, and that he only questioned if the May 1st letter had been received.

All remaining items on the Solicitor report will be discussed during executive session later in the meeting.

Billing Clerk's Report

The Billing Clerk presented the audit of metered sewer customers for the previous four quarters and noted that there were four non-residential customers whose water usage exceeded the amount of EDUs purchased. She explained that the purchase of one EDU is the equivalent of 15,750 gallons per quarter or 63,875 gallons per year and is charged at the current cost of a tapping fee. She further explained that non-residential customers were billed according to water meter readings, paying \$150 for every 15,750 gallons of consumption. The Billing Clerk pointed out that R. A. Barrick used an excess of less than one EDU, Cove Centre used an excess of two EDUs, Mutzabaugh's four EDUs, and Sheetz Car Wash used an excess of 6 EDUs.

The Inspector noted that one restaurant in Cove Centre has a chiller unit that is not air-cooled but water-cooled, with the water continually going into the sewer system, and that possibly Mutzabaugh's market is using that type of chiller.

Chairman Shaffer asked if the Authority wished to take action at this time to request the owners to pay for the extra capacity in the form of purchasing additional EDUs, noting that it would result in additional revenue of \$42,000. Lee questioned if those businesses who purchased more EDUs than are being used receive lower rates. Henry asked if the businesses can get a refund of the EDUs purchased but not used. Chairman Shaffer replied that it could be done but it has never been requested. Franklin asked what happens to the surplus when businesses use less than the amount purchased for several years and then start to use more and are charged for it. He voiced his concern over continually asking these businesses for an increase. The Billing Clerk replied that in all instances where additional EDUs are requested to be purchased, the businesses have never had a surplus and from the beginning have used more EDUs than purchased. After discussion, it was the consensus to postpone further discussion until the June 7, 2006 meeting to allow for further review.

Delinquent Customers – The Billing Clerk reported very little change in the status of delinquent accounts. Irene reported that letters were sent to the ratepayers informing them that they would be turned in for collection if their accounts were not made current. The Solicitor reported that, if the sale was held, it would be another two or three weeks before proceeds from the Cohen sheriff's sale are received.

Treasurer's Report See written Balance Sheet dated April 2, 2006.

The Treasurer reported that \$835,150.54 was transferred from the Newport Bank to pay on the principal of the loan at the Marysville Bank. Lee asked if more money could be paid on the principal at this time to reduce the interest payment as much as possible. When reviewing the balance sheet to determine where additional funds could be taken from, it was noticed that the balance sheet reflected the balances on April 2, 2006 instead of April 30, 2006. Chairman Shaffer asked if further transfers could wait until after the financial advisor provided the findings of his review. Lee stated that the transfer was done on Mr. Derr's recommendation. Franklin stated that he was also there at the time but concurred that Mr. Derr was hired for the evaluation and that he would like to wait to hear what he has to say before additional money was transferred. After discussion, there was a Reidlinger/Wright motion to delay approval of the Treasurer's Report until May 16th, when an accurate balance sheet would be available. Motion passed by unanimous vote of the Authority.

Upon questioning by Henry, the Treasurer reported that she had not provided a quarterly update of the budget comparing budgeted to actual revenue and expense. She stated that she would provide one for the May 16th meeting.

The Treasurer presented the Accounts Payable and requested a motion to approve payment of the bills itemized on the Accounts Payable list totaling \$202,060.98 as follows: \$200,111.31 drawn on the First National Bank of Newport regular account, and \$1,949.67 drawn on the First National Bank of Newport payroll account. After discussion, there was a Reidlinger/Holman motion to approve the Accounts Payable. Motion passed by unanimous vote of the Authority.

Motion to Extend Meeting

At 10:00 p.m. there was a Reidlinger/Holman motion to extend the meeting to complete all business before the Authority. Motion passed by unanimous vote of the Authority.

Incoming Correspondence

A list of all incoming correspondence can be found on the May 3, 2006 agenda. All incoming correspondence was discussed during the meeting.

Outgoing Correspondence

Outgoing correspondence was circulated among the members. Members were directed to request a copy of the correspondence if they so desired.

Old Business

Chairman Shaffer announced that an executive session was held on April 17, 2006 to discuss hiring Mark Derr to review the finances of the Authority, and that he was given an informal go-ahead at that time. After discussion, there was a Reidlinger/Graybill motion to ratify the retention of Mark Derr as financial advisor at a cost not to exceed \$5,400. Motion passed by unanimous vote of the Authority.

New Business

2005 Financial Audit – Irene reported the auditor would present the findings of the 2005 audit at the June 7, 2006 meeting. After discussion, it was the consensus that Irene should advertise a 6:00 p.m. start time for the meeting to discuss the audit at that time.

By-Laws – Henry asked if the Authority's by-laws addressed a deadline for completion of the annual budget, with the Solicitor stating that it did not. He added that the by-laws can be amended to provide a deadline and that he would prepare suggested language if requested. Lee also noted that the by-laws would need to be amended to state that the position of treasurer could be a non-Authority member.

Henry recommended that the budget be approved at the December meeting in preparation for the following fiscal year. Franklin offered that it could be approved at the reorganization meeting in January.

Lee presented a job description for the position of Authority treasurer, noting that it was adapted from the Penn Township files. He stated that he included quarterly dates for updates to help track the budget. Chairman Shaffer suggested that the last performance factor be deleted, as it refers to the *Penn Township Employees Manual*. Chairman Shaffer noted that it had been decided at the previous meeting that the treasurer's position would be advertised after adoption of the job description. Franklin requested additional time to review the job description and Irene was requested to include it with the agenda for the May 16th meeting.

The Solicitor suggested that, if the Authority wished to amend the by-laws this evening, a motion should be made to provide that the treasurer may be a non-Authority member. He also stated that a motion could be made to provide that the budget must be approved by December 31st of each year. After discussion, there was a Wright/Holman motion to amend the by-laws to state that the treasurer position may be a non-board position and to state that December 31st is the deadline for a finalized budget. Franklin asked if the motion was to have the Solicitor compose language to be more specific. Lee clarified that it was his intent to amend the by-laws this evening, and for the Solicitor to provide an amended version of the by-laws for approval of the included amendments. The Solicitor stated that he would prepare a draft for circulation with the changes highlighted, for official action at a future meeting. After discussion, Motion passed by unanimous vote of the Authority.

Lee asked if the Authority wished to advertise the position of treasurer at this time with Chairman Shaffer stating his understanding that it would be delayed until the job description was reviewed further.

Mr. Holman relayed that Mr. Derr commented on the good work accomplished by the budget committee and that he felt they should be acknowledged.

Executive Session

At 10:20 p.m., the Authority entered into executive session to discuss legal issues. At 12:00 a.m. the executive session ended.

The Solicitor suggested the following wording be used for a motion:

The Authority approves and authorizes the appropriate officers to execute an Interconnection Agreement with the Borough and/or its Utilities Committee on the form submitted by the Borough solicitor with her letter to the Authority solicitor dated April 26, 2006, with the following revisions:

- The revisions set forth in the Authority Solicitor's letter dated April 28, 2006 which were agreed to by the respective solicitors.
- The completion date of November 1, 2006 for the installation of the meter vault would be preceded by language similar to that used in the agreement for submission of the proposed specifications, namely that the Authority would use reasonable and timely efforts to have the meter vault installation completed by November 1, 2006.
- The language with respect to the sewer system appearing in paragraph 5 of the agreement will be reworded to have the following language precede the third sentence: The Borough hereby notifies the Authority, which hereby acknowledges receipt of such notice, that the supply of water to the Authority for water connections does not guarantee, represent, etc. sewer connections. This language will be placed in a new paragraph by itself.
- The Authority requires the Borough's approval of the Agreement by May 15, 2006.

Upon a Graybill/Reidlinger motion, the Authority unanimously voted to approve the motion.

Upon questioning why there was hesitation in seconding the motion, Lee offered that he was thinking that he would have liked to sign the original draft and have it over and done with. Franklin stated that he would liked to have done it six months earlier.

At this time, there was a Graybill/Reidlinger motion to authorize Buchart Horn, in accordance with its March 1, 2006 proposal, to proceed with the engineering services for a water meter vault, at a cost not to exceed \$13,500. Motion passed by unanimous vote of the Authority.

Chairman Shaffer remarked that the Engineer has noted that the exact location of the water line was critical and has requested Authority assistance in securing a backhoe for exploratory work at the earliest possible date. It was the consensus to for Henry to contact Jeff Holman to see if he would be able to provide assistance. Chairman Shaffer requested that Irene make a copy of the Petersburg Commons map for forwarding to Jeff, and that the Engineer make other copies, with one to be forwarded to the Inspector, as he needed to be involved in the project. Lee noted that the actions just taken in regards to the Engineer were done in the good faith hope that the Borough would accept the minimal changes that were proposed this evening.

Adjournment

With all business completed, a Wright/Holman motion for adjournment was made at 12:14 a.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary