

**PENN TOWNSHIP MUNICIPAL AUTHORITY
PERRY COUNTY**

102 Municipal Building Road
Duncannon, PA 17020

May 16, 2006

The Penn Township Municipal Authority (Authority) met on Tuesday, May 16, 2006 in the Penn Township Municipal Building to discuss the connection process for the Lower Cove/Perdix sewer project. The meeting was called to order at 6:00 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 7:50 p.m.)
Franklin Reidlinger, Vice-Chairman
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
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:

Henry Holman, Jr., Penn Township Supervisor
Helen Klinepeter, Township Secretary
Dave Matafka, Glace Associates

Connection Process

Chairman Shaffer announced that the main purpose of the meeting was to discuss the connection process for the Lower Cove/Perdix sewer project. He noted that a draft letter was provided from Don Lavine stating that the Authority could begin to send out Notice to Connect (NTC) to the property owners involved. The draft letter also provided that the NTC could be based on the three-phase approach discussed at the May 3, 2006 Authority meeting. Chairman Shaffer noted that ARRO would be meeting with staff to direct which valves must be opened and closed to implement the three-phase connection approach. Inspector Sam Auxt stated that he and Operator Ed Chism would be available to meet with ARRO.

Chairman Shaffer stated that, according to ordinance, the Township is responsible to send out the NTC. He asked whether the final letter from ARRO should be copied to the Township, or if the Township should be notified on Authority letterhead when the final letter arrives. After discussion, it was the consensus to have ARRO send a copy of the final letter to the Township as its official notice that NTC can be sent to the property owners. Chairman Shaffer will ask that ARRO provide a copy of the map showing the properties involved in each phase.

Chairman Shaffer offered that, after property owners in Phase 1 are notified, Phase 2 and Phase 3 property owners could perhaps be notified in 60-day increments. Chairman Shaffer continued that the entire system would be available for connection at the same time and asked if the Authority would like to do that or would still like to phase in the connections. After discussion, it was the consensus that connection in phases would be the best option for operation of the system and plumber availability. The Operator requested that the Inspector and he provide input to insure that no property owner on the "off-side" of the isolation valve is included by mistake.

Chairman Shaffer then noted that three draft NTC letters were available for review. One was a copy of the NTC sent by the Township in 2004 to property owners involved in the Penn Manor/Susquenita Hills sewer project. The second was a letter prepared by the Township detailing the building/inspection permits required by the Township. The third was a sample NTC from the Engineer including instructions for grinder pumps. After a brief review, it was the consensus that Mr. Holman, Mrs. Klinepeter and Mr. Matafka would review each one and compile a NTC, which would be available by the following weekend for Authority review and comment.

The Operator requested that the NTC letters advise the property owners that the first time a service call is made on their grinder pump they will get a warning and no charge will be assessed for routine maintenance. However, if the grinder pump basin needs to be cleaned out they will have to pay that charge, and if negligence caused damage to the grinder pump they will have to pay for the repairs. The second service call resulting from negligence will be assessed a \$200 service charge plus the cost of repairs. Upon questioning the basis for a service charge by Chairman Shaffer, the Operator offered that he thought the Authority had previously adopted that rate for service calls to repair damage caused by negligence. Chairman Shaffer suggested that the Operator was talking about a possible attachment that could also include instructions for operation of the grinder pump and that he felt it would be appropriate to include that attachment with the connection permit. The Operator asked if the Engineer's suggested instructions for care of grinder pumps could include the recommendation that the property owner check their house circuit breakers in case of grinder pump malfunction. Susan offered that the suggestions from the manufacturer of the grinder pumps could also be included. Chairman Shaffer then cautioned against overwhelming the public with too much information in the NTC. Mr. Holman suggested that an information packet be compiled and be given to the property owners when they obtain their connection permit.

Mrs. Klinepeter noted that the Township would not issue building/inspection permits until a connection permit is issued by the Authority. The connection permit application was then reviewed to see if it was applicable for a low-pressure system. Irene noted that there was a space for the property owner to indicate if the connection would be done by the owner or a contractor. It was agreed that the existing application could be used, with the line stating the inspection fee cost crossed out. Lee asked if the connection permit application could be mailed to all the property owners as part of an informational packet, with Irene responding that she thought they should come to the office to obtain it. She explained that she fills out the application ahead of time so that it is ready for signature when the property owners come to the office to pay for the connection permit.

A discussion was held on the inspection process by Glace Associates. Irene requested that the Authority receive a copy of the inspection report so it would know when to begin billing. Chairman Shaffer noted that the Authority has been very diligent in the past about keeping extraneous water out of the system. He requested that Mr. Matafka conduct a basement

inspection and inform the property owners that floor drains must be disconnected if they introduce water into the system.

Henry asked if the Authority should send a letter to plumbers, informing them about the project. Chairman Shaffer replied that, since inception of the Unified Construction Code (UCC), the Authority does not get involved with plumbers. He added that, in the past, the Authority did not recommend specific plumbers but provided a list of plumbers who have worked with the Authority. Irene was asked to make the list available in case of homeowner request.

Chairman Shaffer asked that the NTC be compiled as soon as possible because he anticipated the final letter from ARRO by next week. It was summarized that, after the NTC is received, the property owner would obtain a connection permit and information packet from the Authority and then obtain a building/inspection permit from the Township, and that the step-by-step procedure would be included in the NTC.

Installment Payment Agreement for Tapping Fees

Chairman Shaffer stated that, when property owners come to the Authority office to obtain a connection permit, an agreement for installment payments for the tapping fee should be available. The Solicitor noted that the Authority has provided for installment payments for tapping fees in the past and that agreement could be revised. He and Irene agreed to provide a draft agreement for review at the May 24, 2006 Authority meeting. It was discussed that possibly 100 customers might take advantage of the installment plan. Lee calculated that, for a \$2,650 tapping fee, a 3-year plan would cost \$73 per month, a 4-year plan would cost \$55 per month and a 5-year plan would cost \$44 per month, without interest.

Lee noted that Mr. Derr had suggested the Authority play banker, offering a lower interest rate to the customers than a bank could, and using the proceeds to pay down the loan at the Marysville Bank. Franklin noted that the Authority could obtain a secured loan against any of its available funds at an interest rate of 1% more than the bank was paying for the money, use those proceeds to pay off the line of credit at the Marysville bank, and then use the interest collected from the installment loans to pay off the secured loan. Irene suggested that the Authority set up an installment plan and use the payments to pay down the line of credit at the Marysville Bank. She stated that she was against the Authority borrowing more money, offering her concern that the customers will not be consistent with their monthly payments. Lee explained that the Authority will have to borrow money to pay off the line of credit at the Marysville Bank, and the installment payments would be used to pay down the new loan. Chairman Shaffer suggested that the Authority ask Mr. Derr for his thoughts on interest rates and refinancing the Marysville line of credit at the May 24, 2006 meeting.

Franklin asked if the time limit for connections could be extended to 90 days. Chairman Shaffer noted that the 2nd Class Township Code requires a 60-day connection time, and added that requests for extensions have always been granted, subject to the property owner agreeing to a subsequent connection date. It was the consensus that, in cases of non-compliance of the 60-day time limit, the Authority would send a letter asking the property owners for their scheduled date of connection. If connection is still not made, the Authority would forward the names of the property owners to the Township for enforcement of the connection ordinance.

Water Line Location at Petersburg Commons

It was noted that the test digging to locate the water supply line at Petersburg Commons was scheduled for the next morning and that the PA One Call was made. Chairman Shaffer asked if the Authority had heard back from Duncannon Borough (Borough) concerning the

Interconnection Agreement (Agreement). The Solicitor stated that he had left a message with the Borough solicitor but had not received a return call, not had he received a response to his May 4, 2006 letter asking for Borough consent of the Agreement by May 15, 2006. Mr. Holman noted that the Borough would be friendlier if there was an agreement in place, with Irene responding that the Authority was waiting on a response from the Borough. Mr. Holman stated that the Borough had not received any correspondence from the Authority, with the Solicitor reiterating that he sent the Borough a letter dated May 4, 2006 detailing the remaining changes requested by the Authority. Mr. Holman asked for, and was given, a copy of that letter.

Chairman Shaffer asked if the Authority was in agreement with continuing with the test digging the next morning. Irene offered that, if the water meter vault had to be installed before November, the Authority better soon start moving on it, with Franklin and Henry concurring. Lee stated he had concerns about digging without an Agreement. Irene then made a motion to proceed with the test digging the next morning. Franklin seconded the motion. Lee stated that he had concerns, if the Authority is no closer to an Agreement, about a line being broken during the digging. Sam pointed out that the line belongs to the Authority. Henry offered that the Agreement should have been approved at the May 3, 2006 meeting, instead of requesting revisions. Lee noted that the Authority thought the Agreement would be approved by the Borough. He questioned if any further engineering work should be delayed until the Borough responded to the Authority. Chairman Shaffer suggested that the Authority should show good faith and proceed with the test digging, noting that the PA One Call was made and the utilities were located. Chairman Shaffer called for a vote on the motion to proceed with the test digging the next morning. Motion passed, with Lee and Henry voting against the motion.

Job Description for Treasurer Position

Chairman Shaffer explained that the Authority needed to approve the job description for the treasurer position so that the position could be advertised.

Lee explained that he had based the job description for the treasurer on the one used by the Township. He stated that he had added items to reflect Authority concerns, such as requiring a quarterly budget comparisons report on all budget categories. A discussion was then held on what the position could be named – financial administrator, accounting clerk, or bookkeeping clerk – to eliminate the need for amending the by-laws that require the treasurer to be an Authority member.

Irene noted that one of the responsibilities of the treasurer would be to file all financial forms and reports required by the state. She asked if the quarterly tax reports currently being prepared by the payroll clerk would instead be prepared by the treasurer. Lee responded that it was not his intention to have the treasurer prepare tax reports. He explained his thought that that responsibility would ensure that the audit information required by the state was filed in a timely manner. Franklin asked if this position would infringe on the audit that the Authority is required to have performed by an auditor and forwarded to the Township, offering his concern that the Township might not receive the information on time and require an independent audit at the Authority's express. The Solicitor responded that he did not think it would cause any infringement. Lee noted that the job description to maintain accurate records should actually benefit the auditor because the information would be ready when the auditor needed it.

Lee stated that he would remove the reference to the *Penn Township Employee Manual*. He asked if the Authority wanted to rename the position or leave it as treasurer. The Solicitor stated that it would be a simple amendment to change the by-laws allowing the treasurer to be a non-Authority member and offered that the position did not need to be renamed.

A discussion was then held on whether the treasurer should deposit all funds received. Susan noted that the Township auditors are now recommending that the Township secretary, not the treasurer, deposit the receipts as a means of providing additional checks and balances. Irene noted that the Authority billing clerk was hired after the auditor recommended that the same person who deposits the receipts should not handle the billing. The Solicitor noted that auditors are now recommending those additional checks and balances. Lee asked if a sentence should be added that the treasurer would not be responsible for deposits of receipts. He also asked if the responsibility to supervise and or assist with the collection of monies and fees should be removed from the list of duties. The Solicitor noted that the responsibility was worded "supervise and/or assist" and at the time the employee was hired it could then be made clear what the duties were to include. Franklin asked if, in view of the fact that there would probably be a change in auditors, should they be asked for suggestions. It was noted that the job description was being reviewed so that the position could be advertised, and that the job description could be revised in the future. Irene asked if the treasurer would pay the bills and write the checks. Lee stated that he thought so and added that the treasurer would provide monthly financial reports showing bills paid, loan and bank account balances, and quarterly budget status reports.

Irene asked for clarification of how she would handle deposits. It was discussed that she would continue to log in the checks and make deposits as she currently does, after which she would forward the deposit information to the treasurer.

Franklin asked if there should be educational requirements included with the job description. It was decided that the information would probably be included on the applicants' resumes and the Authority could select applicants for interviews based on their backgrounds. Franklin asked if the job description should state that it is a part-time position. Lee suggested that the advertisement would state that it is a part-time job with no benefits.

Lee offered to revise the job description according to the previous discussions and present it for further review at the May 24, 2006 meeting.

Proposed Amendment of Section 3.240 of the Rules and Regulations (R&R)

It was noted that Section 3.240 of the R&R refers to the BOCA Code, which has since been replaced. After discussion, there was a Wright/Holman motion to amend Section 3.240 of the R&R to read as follows – Unless otherwise approved by the Authority, every non-residential establishment shall be provided with a grease and/or grit trap, as appropriate, in accordance with the requirements of the latest edition of the International Building Code (IBC). Franklin asked if existing grease traps would fall under the IBC or be grandfathered. The Solicitor offered that it might be difficult to require changes for traps that have been approved and inspected. Irene offered that when a trap needed to be replaced, it would need to meet the requirements of the IBC. Vice-Chairman Reidlinger then called for the vote. Motion passed by unanimous vote of the Authority.

Interconnection Agreement with the Borough

Lee again offered his concern that the Borough has not responded to the Solicitor's letter of May 4, 2006 and asked what the Authority could do. The Solicitor responded that one option was to try to schedule another meeting with the Borough, while a second option was to ask the PUC for their assistance, which they have offered to do informally. He stated that there was one remaining issue to be resolved, the November 1st deadline for completion requested by the Borough. He continued that he feels the PUC would agree to a later deadline. Henry offered there should be no problem with a November deadline, as long as the Authority keeps moving in the direction it's heading. Lee disagreed, stating that the Borough did not respond to the latest

Authority offer. Irene stated her understanding that the Borough had provided the Authority with the standards for the water meter vault. The Solicitor agreed that the Authority had the standards and the Engineer would need to design the vault according to those standards. He offered that the only significant expense at the moment was the cost of the test dig and that it was best to conduct the digging as scheduled to keep the project moving. He stated that the Authority should know more about the Borough's response to the Agreement by the May 24, 2006 meeting. Irene asked what would happen on November 2, 2006 if the pit is not constructed. The Solicitor responded that it would be a breach of the agreement, if that date had been agreed to.

Discussion was then held on the possible difficulties of constructing the pit in the confines of the proposed location. The Solicitor offered that he had contacted Dale Maguire and Allen Hench, and did not see a problem in obtaining additional land if needed for the construction.

He ended by stating that the situation would not be out of control before the May 24, 2006 meeting, nor would the Engineer incur much additional expense between then and now.

Adjournment

With all business completed, a Wright/Holman motion for adjournment was made at 8:30 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary