

**PENN TOWNSHIP MUNICIPAL AUTHORITY
PERRY COUNTY**

102 Municipal Building Road
Duncannon, PA 17020

July 5, 2006

The Penn Township Municipal Authority (Authority) met on Wednesday, July 5, 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
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:

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

Visitors present:

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|-----------------|-------------------|---------------------|
| John Myers | Henry Holman, Jr. | Richard Blumenstein |
| William Berrier | Betty Albright | Ed Albright |
| Bernie Radocha | Jackie Radocha | Jim Kocher |
| Elmer Knaub | Mike Garman | Paul Soltis |
| Joe Roberts | Betty Smith | Martiel Edwards |
| John Edwards | Barb Edwards | |

Minutes

After discussion, and upon a Reidlinger/Holman motion, the Authority voted unanimously to approve the May 3, May 9, May 16, May 24, and June 7, 2006 minutes as presented.

Visitors

Mike Garman

Mr. Garman stated that he had recently purchased the Tolbert property on Butchershop Road and asked if sewer connections were available for that location. The Engineer responded that he would research the available capacity, with Chairman Shaffer informing Mr. Garman that the Engineer would contact him with the information as soon as possible.

William Berrier, Lot 57 Railroad Street

Mr. Berrier was present to discuss a Notice to Connect he received from Penn Township Board of Supervisors (PTS) dated June 8, 2006 stating that his dwelling must be connected to the grinder pump within 60 days. He stated that the present structure does not have plumbing facilities and is slated for demolition. He requested permission to extend the connection deadline for one year, to allow time for the demolition and construction of a new structure. Chairman Shaffer asked Mr. Berrier to either put his request in writing to the Authority for recommendation to the PTS, or to forward the request directly to the PTS. It was the consensus that, after the written request was received, the Authority would consider it for recommendation to the PTS. Irene was requested to provide a copy of the letter to each member when it is received.

Chairman Shaffer noted that in past projects the PTS has been generally favorable about granting extensions, although he offered his opinion that a year is a long time. He added that there may be a point in time when payment would be expected, even if the connection is not made. Franklin offered that he felt there should be leniency under these circumstances, noting that no one is going to be living on the property and that there are currently no plumbing facilities.

Authority Inspector Sam Auxt pointed out that the Authority has installed grinder pumps on unimproved lots, with signed agreements specifying that, if no structure was built within one year, the owner would then pay a reservation of capacity fee.

Richard Blumenstein, Susquenita Hills

Mr. Blumenstein stated that his septic system was in excellent condition, but he was told he had to connect to the sewer system. He noted that this was his second rate increase since the sewer was installed in his area. He asked when it would stop and how he was supposed to pay for it. Chairman Shaffer responded that the Authority called in the services of a financial advisor for his recommendations and that it was not an easy decision to raise rates. He said that the problem started several years ago when the Authority had been expecting to receive grant money and it did not materialize. Now that the sewer project is complete, the loan must start to be paid and the rate increase was necessary.

Lee stated that \$10 per year increases were projected through 2010, after which the Authority was looking at decreases.

Mr. Blumenstein asked how the Authority could start a project without the money available to pay for it. Lee informed the visitors that the Authority would make available copies of the financial advisor's report to anyone who wanted one.

Betty and Edward Albright, Susquenita Hills

Mrs. Albright stated that she had understood that Perdix residents would be given a choice whether they wanted to connect to the sewer system. She continued that she also had a great septic system, and was not asked if she wanted to connect. She offered her concern that her nest egg was being decreased by the rate increases.

Mrs. Albright asked why the Authority did not wait to see if it received grant money before starting the project. Chairman Shaffer responded that it was beyond the Authority's control, as DEP required the project. Mrs. Albright responded that she understood that was not true, with Chairman Shaffer stating that he did not know where she got that information. He added that there is no choice for connection and every property within 150' of sewer facilities must connect, according to the second-class township code and PTS ordinance. Lee stated that he agreed that

everybody needs to connect, which is why he had made a motion to allow installment payments of the connection fees.

Responding to the concern over grant money, Franklin described all that the Authority has done to procure grants and stated that we are still applying for them.

Mrs. Albright asked why customers weren't informed of the rate increase, with Irene responding that a mailing was sent to every customer in May and again earlier this month with their sewer bills. Mr. Albright questioned how many members were connected to the sewer and noted that it is easy for the Authority to raise rates when three members don't pay them. Franklin responded that he has had to pay for four connections and will be paying monthly charges. He added that Irene and he voted against a rate increase.

Henry Holman, Jr.

Mr. Holman, Jr. reported that he had received a call from a Perdix resident concerned about the sewer rate increase. He understood why the Authority did not want to raise the rates sooner, but offered that rates should have gone to \$660 per year before the last increase took effect. He informed the audience that the PTS and Authority knew that the rates had to go to \$840 per year when the PTS guaranteed the PennVest loan in 2004, and that he has encouraged the Authority to inform its customers of its financial condition.

Chairman Shaffer agreed that the Authority knew rates would have to be increased, but it was holding out hope that grants would be received.

Mr. Holman, Jr. noted that Duncannon Borough (Borough) still had not received an affidavit from the Authority for a missing escrow check. Chairman Shaffer noted that he had signed the affidavit last month and Irene responded that she had forwarded it to the Borough. He stated that he had signed another one earlier in the evening, and asked Irene to forward the original to the Borough and a copy to him.

Mr. Holman, Jr. noted that Lee and Henry had attended the last JOAC meeting as visitors. He said he had since heard comment that it was a violation of the Sunshine Law, since a majority of Authority members were in attendance. He offered his opinion that, by attending as visitors, there was no violation and requested that they continue attending the JOAC meetings.

Bernard and Jackie Radocha, Railroad Street

Mr. Radocha noted that, at public meetings during the planning stages of the sewer program, residents were promised that rates would not be raised. Chairman Shaffer responded that the plan was to keep the rates constant. He noted that a survey of household income showed that Perdix residents met the income level for Community Development Block Grant funding, but after three years of submitting applications, no grants were awarded.

Mr. Radocha asked why the construction costs were put on the ratepayers. Chairman Shaffer responded that, historically, sewer costs are paid by the customers and the only other alternative, beside grant funding, was for the PTS to distribute the cost township-wide to the taxpayers.

Mrs. Radocha asked what happens when a property owner says they will not connect. Chairman Shaffer responded that there are provisions in the Township code to place a lien on the property at that time, or for the Township to make the connection and then lien the property. In response to a comment that liens can't be enforced as long as the property doesn't change ownership, the Solicitor responded that the lien could be enforced and the property sold, if the Authority so chose. He added that the terms of the PennVest loan require that connections be made and the Township must make every effort to enforce its connection ordinance.

Jim Kocher, Sunshine Hill

Mr. Kocher voiced his disappointment that the Authority and Chairman Shaffer would vote for the rate increase. He noted that three PTS members and three Authority members are not rate-payers and probably will never be. He noted the "For Sale" signs in the Perdix area and offered his opinion that more signs will be erected because residents cannot afford the new rates.

Mr. Kocher noted his understanding that the Perdix residents would be charged an additional \$30 for their hookup and would now be receiving a \$100 per month charge. He offered his opinion that the rate increase for everyone was obscene. Chairman Shaffer noted that he had suggested a rate increase several years ago when the reservation of capacity payments from the Catholic Diocese ended, but it was not done. He offered that the Authority was at fault for waiting too long to increase the rates, when it should have probably eased into them. He stated that the bottom line is, if the Authority did not raise rates, it would default on the PennVest loan, with the PTS having to take over the loan. He had to vote for the rates that were needed to balance the budget. Mr. Kocher stated that the Authority never defaulted on its bills, with Chairman Shaffer replying that the Authority was living on borrowed money and it delayed raising rates because it didn't have the heart to do it.

Joe Roberts, Inn Road

Mr. Roberts stated that he was trying to determine the size of the grease trap required in the bar he was constructing on Inn Road. He said that he had met with John Latshaw of Glace Associates, who recommended a model that was adequate for his flow rate. He asked if this model would be acceptable by the Authority. The Engineer said that he had just received the grease trap information from Mr. Roberts this evening and would need time to research the issue. After discussion, there was a Reidlinger/Holman motion to accept the recommendation of the Engineer in regards to the size of the grease trap needed. Motion passed by unanimous vote of the Authority.

John and Barb Edwards, St. John's Road

Mr. Edwards asked where the \$6 million loan money went. He said it was noted that the project came in at approximately \$300,000 under budget and asked where that money went. Chairman Shaffer offered that the Authority's financial reports are always available to the public and asked Irene to provide her office hours, which she did. Irene stated that even though the loan was approved for approximately \$6.5 million, the Authority only used the money as it was needed and did not receive the entire amount.

Mr. Edwards asked if any of the loan money was unaccounted for, with Irene and Chairman Shaffer both responding that none was unaccounted for. Mrs. Edwards stated that they had heard differently. Irene stated that the financial advisor analyzed all the accounts and there is no money missing. Mr. Edwards asked how many notices were sent out regarding the rate increase, adding that they did not receive any. Irene reiterated that a bulk mailing was sent to every customer. Mr. Edwards asked if rate increases had to be advertised, with Chairman Shaffer responding that there is no such requirement. Mr. Edwards stated that he had been told by PA Municipal Authorities Association (PMAA) that all rate increases must be advertised. The Solicitor responded that he disagreed and that in his opinion there is no requirement. He stated that the Authority has a duty to have the rates at a level sufficient to bring in revenue to pay its bills. Mr. Edwards stated that he has started a petition in objection to the rate increase. He asked what the Authority would do if he started spreading the word that the Authority can only put a lien against the property if ratepayers don't pay their bills and the Authority would lose \$70 per

month from each of its customers. He asked if the Authority would sell everybody's home, with Chairman Shaffer responding that would be an option.

Mr. Kocher asked what the total cost of the project was, with Chairman Shaffer responding that to-date it is \$6,000,090. Mr. Radocha asked what happened to the connection fees. Irene responded that they have not been spent and are in a savings account. Chairman Shaffer offered that the money will be used as part of the commitment to pay the loan.

Mr. Radocha referred to the comment that the rate changes needed to be advertised and asked what made Mr. Edwards wrong and the Solicitor right. Mr. Edwards repeated that he had been told by PMAA that it had to be advertised and also resolved on a local level, and if not the ratepayers had the right to take the issue to the Court of Common Pleas to resolve the issue and find out where the money is and why it is not being appropriated properly and why the Authority is not being run properly. Chairman Shaffer stated that Mr. Edwards had the right to take those actions, but urged him to look at the Authority's financial records first, because the expense of the court action will ultimately fall on the ratepayers. Mrs. Edwards stated that residents have been hearing that there is missing money, with Chairman Shaffer responding that someone has been lying. Mrs. Edwards asked why people would lie over something like that, with Chairman Shaffer stating that he did not know.

Franklin then offered to the people of Perdix that he would inspect the abandonment of the old septic systems at no cost to property owners or the Authority. Chairman Shaffer commended Franklin for the tremendous amount of work he has done for the Authority at no charge.

Plant Operator's Report See July 2006 Operator's Report

DMRs – (see written Discharge Monitoring Reports dated May 2006). The DMRs were reviewed with the note that there was one violation at the Cove Wastewater Treatment Plant (WWTP) on fecal coliforms and that Authority Operator Ed Chism had, accordingly, increased the rate of chlorination and de-chlorination. He noted that the average influent BOD level was 349 mg/l, an improvement over the prior month, but still above the design amount of 240 mg/l. The Operator extended an invitation that Authority members contact him at any time with questions.

Wastewater Flow Meters – The Operator announced that the Inspector, a Borough representative and himself switched the electronics between the Ann and Clark Street meters and the problem remained at Clark Street. He noted that the meter was sent back to the factory, every connection has been re-grounded, and every line and back-up power source has been isolated in an attempt to find out why the Clark Street meter zeroes out between 12 to 24 times per week. He estimated that 1,200 gallons of flow per week is being misread. The Operator offered that he has no more recommendations for corrective action and does not think the Authority should spend any more money on the problem. Chairman Shaffer noted that the readings in the Master Meter Report do not seem to indicate that any flow amount is out-of-line, with the Operator in agreement. Chairman Shaffer suggested that the Authority take a "wait and see" attitude.

Disposal of Old Water Meters – The Operator stated that, when the Authority acquired the Sunshine Hill water system, it also acquired several old water meters. He requested permission to donate them to Paul Liddick, as they have only nominal value. After discussion, there was a Wright/Holman motion to donate the unused water meters to Paul Liddick. Motion passed by unanimous vote of the Authority. The Operator then reported that there were additional unneeded water meters, also with only nominal value, at the Cove WWTP that he would like discarded. After discussion, there was a Holman/Wright motion to also donate those meters to Paul Liddick. Motion passed by unanimous vote of the Authority. The Operator stated that if

Mr. Liddick did not want any of the meters, he would donate them to a man who makes his living collecting items of this type.

Sunshine Hill Water System Lot – The Operator suggested that Turfbuilder be spread on the lot to encourage growth of vegetation. The Inspector suggested that some of the chestnut trees be removed to allow more sunlight onto the lot. After discussion, Lee volunteered to make a site visit and provide a recommendation on what should be done to improve conditions.

Cove WWTP – The Operator reported that the results of the latest BOD grab samples had been returned from the lab and that Irene and he would be sending bills, at the new rate, to the non-residential customers who were in violation.

The Operator reported that there was another excessive accumulation of grease in the grease trap at the Cove Centre. The Inspector also offered that the level of grease in the 55-gallon drum at the rear of Cove Centre had increased four inches and stated that Randy Rohrer had been having trouble securing a company to clean the grease trap, but that he had not spoken to Mr. Rohrer for a week. The Operator noted that the Authority has limited access to the property because it has not yet accepted the facilities and recommended that the Authority not accept the facilities. The Inspector reported that Mr. Rohrer has been notified that monthly cleaning of the grease trap was necessary. The Operator offered that the Authority accepted the design of the grease trap based upon estimated flow, but that he believes more flow is being discharged than anticipated. He recommended that the owner be told that if it can not be cleaned properly, it needs to be replaced. After discussion, there was a Wright/Holman motion to notify Mr. Rohrer that he must prevent grease from entering the sewer lines by any means necessary, including replacement of the grease trap. The letter is to include that the Authority would like his plan for addressing this problem one week before the August 3, 2006 meeting. The letter is also to remind Mr. Rohrer that copies of invoices are to be forwarded to the Authority when the 55-gallons drums are cleaned. Motion passed with Franklin voting against the motion.

The Operator reported that there had been a complaint about the odors emanating from the WWTP. He stated that he has taken certain actions in hope of correcting the situation. He has set the aerator at the Cove pump station to continually aerate between pumping cycles. He has also seeded the equalization tank with mixed-liquor suspended solids, which should help when school is not in session and the plant is not working under a full load.

NPDES Compliance Inspection Report (Report) – The Operator presented the Report of the NPDES inspection of the Cove WWTP made on May 10, 2005 and explained the various sections of the Report.

Portable Generator – The Operator suggested that the old generator be moved from the Cove WWTP to the Kinkora WWTP, and the generator at the Kinkora WWTP be moved to the Township grounds. The Inspector explained that, during the recent state of emergency caused by the heavy rains, it was mentioned that it would be good for the Township to have a generator to power the emergency control center, if needed. Lee asked if the generator at the Cove WWTP could be used for the water system. The Operator added that he would present his recommendations after resolving problems with the Kinkora WWTP generator.

Inspector's Report See Inspector's Report for June 2006 Tasks Completed.

Construction Complaint – Chairman Shaffer noted the construction restoration complaint follow-ups and requested that the Inspector confirm that the information has been forwarded to ARRO for inclusion in their complaint log spreadsheet.

Business Campus One (BCO)- Chairman Shaffer noted a letter had been received from Perry County Economic Development Corporation regarding items needed to be completed before the Authority can accept dedication of the sewer facilities at BCO. He questioned the reference that attempts were made to vacuum test several manholes. The Inspector stated that two manholes were not tested and the Authority had been provided information about them at a previous meeting. Chairman Shaffer asked if the Authority okayed that, with the Inspector replying that it had, and Chairman Shaffer replying that he would like to see that in the minutes. He stated that, in his opinion, every manhole should be tested. Irene stated that Carl Fox had informed her that these manholes can not be vacuum tested. Chairman Shaffer replied that if the manhole can not be tested, there is a problem with it. The Inspector stated that he will tell Mr. Fox that the Authority has a problem with not testing those manholes.

The Inspector stated that Mr. Fox wanted to know if the Authority needed a mylar copy of the record drawings, with the consensus being that it does need one.

Freet/Taylor Property, Pee Wee Lane

The Inspector stated that he was requested to determine if the Freet property was disconnected from the sewer. He stated that a site investigation revealed a 3" diameter copper line that was sawed off, with no cap. He asked if the new owner would need to pay a connection fee. Chairman Shaffer asked how many EDUs would be needed for the property and offered that he felt that was the deciding factor, in that the property had already paid for one EDU. He continued that, depending on the proposed use, additional EDUs may be necessary. Irene will contact the new owner to find out his plans for the property, after which the Authority will determine if additional EDUs are needed to be purchased.

Project Construction Sign on Dino's Property – The Inspector asked if the sewer project construction sign could be removed from Dino's property now that the project is finished. Chairman Shaffer asked the Inspector to contact Don Lavine to find out if it can be removed. Franklin stated that he knows a Boy Scout who could use it for an Eagle Scout project if it is no longer needed.

Joe Roberts Grease Trap – The Inspector stated that Mr. Roberts had attended this evening's meeting at his urging. Mr. Roberts had relayed to him that Glace Associates said two under-counter grease traps would be sufficient for his new bar, as opposed to an external in-ground trap. He noted that the Authority's Rules and Regulations (R&R) do not require external grease traps. He voiced his concern over what would happen if the under-counter grease traps were sized for the current flow and the business expanded and they were no longer sufficient. He recommended that all grease traps should be installed in-ground, with Chairman Shaffer in agreement.

Fasick Property – The Inspector asked about the status of the Fasick property easement that Jay Mutzabaugh has signed. The Solicitor responded that he had to follow-up on the issue.

Walk-Through of Sewer Project – Henry asked if a walk-through of the project had been held, with the Inspector responding in the affirmative. The Operator added that the manufacturer had conducted an inspection of the grinder pumps for the staff. Henry asked if the Operator and Inspector were satisfied with the system and if they could address any problems without the contractors. The Operator reported that he would be satisfied after he receives and reviews the record drawings.

Grinder Pumps – Franklin remarked that one of the new grinder pump basins had filled with water and asked if water in the basin could cause problems. The Inspector reported that there are conflicting answers, with one field representative saying if the air chamber gets water in it, it will cause problems and another one saying it will not. Chairman Shaffer asked how the water got in and was it an I&I problem. The Inspector offered his opinion that the water entered through the stub that the contractor leaves for property owners gravity line connection. Franklin offered his concern that, if there are heavy rains, and the WWTP is affected, the Authority might not know if it is an I&I problem, or illegal connections of sump pumps and floor drains. Franklin stated that the Authority should be looking into the pump basins to see if they are leaking. He suggested that examinations should be made by randomly lifting the lids to see if water is on the inside. The Operator, Inspector and Franklin volunteered to do this task.

The Operator voiced his concern about whether the stubs on the grinder pump basins were still capped so that dirt and water could not enter. The Operator recommended that an Authority representative should be on-site while the connections are being made, to see what the stubs look like and if they are capped. Mr. Holman, Jr. noted that the contractor doing the excavation for the connection is not going to be very concerned about dirt entering the stub, and the UCC inspector is only inspecting from the test tee to the lateral, after the connection is made. The Operator asked if the Authority had a list of plumbers who were approved to do the connections. Irene asked if the firms performing the work are going to be required to have insurance. Chairman Shaffer noted that the Authority's R&Rs require insurance. Irene stated that Perdix residents were having some difficulty finding firms to do the work, and the Authority has no current list of approved firms. Susan noted that, as part of the Township's building permit process, a certificate of insurance, or a waiver if the owner is doing his own work, is required with the application. Chairman Shaffer asked that the Township share the certificates of insurance with the Authority. Susan stated that she would forward them.

After discussion, it was the consensus that Irene would notify residents when they obtain a connection permit that they are to call the Operator, Inspector, Franklin or Lee so that someone is present when the connection is made.

Construction Phase Engineering Report See written report dated June 29,2006
In the absence of Don Lavine, Chairman Shaffer presented his report.

Contract 04-02, Dutchland – Chairman Shaffer noted a request for a final payment to Dutchland in the amount of \$38,103.14 and asked the Operator if he was satisfied with Dutchland's work. The Inspector asked if the Authority should wait until after the walk-through with DEP to release the payment. The Operator responded that if he had a problem with a blower or motor, they are covered under a one-year warranty. Chairman Shaffer explained that the one-year warranty period started earlier this year when the substantial completion date was established. The Operator offered that he did not want to ask that payment be held up, because the WWTP was built properly. He noted that there was outside painting of a door that did not meet his

satisfaction. Chairman Shaffer offered that a motion could be made contingent upon ARRO contacting the Operator to see if there are any outstanding issues.

1134 State Road – Franklin explained that the contractor broke in the side of the septic tank, wedged a board against it with a rock, and pumped the sewage onto the ground. Irene reported that she had received a call from the tenant that sewage was running into her basement after the heavy rains. Irene offered her opinion that it appears the contractor and ARRO feel that this was a pre-existing problem. She added that the complaints have come from the tenant, not from the owner. The Inspector offered that pre-construction photos should tell if there was a pre-existing condition. Chairman Shaffer stated that he did not know what the Authority could do this evening other than get on record that it is dissatisfied and wants resolution of the outstanding item. Irene will call Mr. Lavine on Friday and tell him that something must be done about this issue and that the Authority is disappointed that no action has been taken to date.

After discussion, there was a Graybill/Reidlinger motion for approval of Application and Certificate for Payment for Contract 04-02, Application No. 11, in the amount of \$38,103.14, contingent upon the satisfaction of the Operator. Motion passed by unanimous vote of the Authority. Next there was a Wright/Holman motion for approval of PennVest Reimbursement Request No. 17, in the amount of \$92,961.35. Motion passed by unanimous vote of the Authority.

Substantial Completion Certificates - Chairman Shaffer announced that it was reported that all work necessary to use the facilities was completed on Contract 04-01 and asked for a motion to issue a substantial completion certificate. The Engineer noted that the certificate starts the warranty period and allows the Authority to use the facilities, which it has already started to do. After discussion, there was a Wright/Holman motion to accept and agree to the issuance of a certificate of substantial completion for Contract 04-01. Motion passed by unanimous vote of the Authority.

Engineer's Report See written report dated June 29, 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. He stated that the developer is researching options for sewer service and water supply and that the project is not dead.

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 reported that he had submitted draft drawings and specifications to the Borough and its engineer, and had not yet received formal review comments. After discussion, there was a Wright/Graybill motion to advertise for bids, with the bid opening set for 6:00 p.m. August 2, 2006. Motion passed by unanimous vote of the Authority. The Engineer will see that the advertisement gets published in the newspaper.

Mr. Holman, Jr. remarked that he had read the entire 200 pages of specifications and questioned if some of them were necessary, offering his concern that some bidders may be put off by some of the requirements, or the bids will come in at a high cost. Chairman Shaffer asked

him and Henry to forward any suggestions they have on which specifications could be eliminated as soon as possible, so that the Engineer could prepare an addenda.

Grease Trap Requirement – The Engineer noted that earlier this evening he heard the members express their opinions that they wanted in-ground grease traps instead of under-counter traps. He asked what direction he should give to Mr. Roberts. Chairman Shaffer offered his opinion that he does not like under-counter grease traps. Henry offered that, whatever type the Authority approves, it should be consistent in its requirements. After discussion, there was a Wright/Holman motion to require that all future non-residential grease traps be installed in-ground, and that the requirement be incorporated into the R&Rs. Motion passed by unanimous vote of the Authority. The Engineer will inform Mr. Roberts of the requirement.

Krick Subdivision Planning Module Exemption Mailer – The Engineer referred to a letter from Glace Associates dated June 28, 2006 concerning verification of sewer capacity for the Sam Krick Subdivision. The letter stated that the Borough Foreman has been authorized to have the Market Street sewer main televised as soon as possible, after which Glace Associates will evaluate its condition. The Engineer offered that there was nothing further the Authority could do until it received verification that there was, or was not, capacity available. Irene was requested to forward a copy of the letter to the Township Secretary and the Penn Township Planning Commission.

Solicitor's Report See written report dated June 30, 2006.

The Solicitor stated that the Water Street issue should be discussed during executive session later in the meeting.

Motion to Extend Meeting

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

Billing Clerk's Report

The Billing Clerk presented revised sewer and water rate schedules based on the new rates. She recommended that, due to difficulties incorporating water meter readings into the billing software, water bills continue to be sent on a quarterly basis. The Solicitor suggested that a resolution setting the new rate schedules should be adopted.

Lee remarked that the sewer rate schedule did not include a definition of an EDU. He offered that an EDU should be defined as 150 gallons per day (gpd). It was noted that Buchart Horn's Flow Analysis Report for 2005 revealed the average flow per EDU as 150 gpd and that Mr. Derr had used the 150 gpd as the basis for his rate projections. After discussion, there was a Holman/Wright motion to revise the definition of a non-residential EDU as 150 gpd, effective July 1, 2006, and to notify the non-residential customers of the modification. Motion passed, with Franklin voting against the motion. It was the consensus that the billing clerk should present a sewer rate schedule based on the new calculations at the August 2, 2006 meeting and the Solicitor would prepare the appropriate resolution. Irene was requested to prepare a letter to the non-residential customers, advising them of the new EDU definition. Lee will review the letter after it is prepared.

Treasurer's Report See written Balance Sheet dated June 20, 2006.

After discussion, there was a Reidlinger/Wright motion to approve the Treasurer's report as presented, subject to audit. Motion passed by unanimous vote of the Authority.

The Treasurer presented the Accounts Payable and requested a motion to approve payment of the bills itemized on the Accounts Payable list totaling \$38,039.91 as follows: \$33,883.10 drawn on the First National Bank of Newport regular account, and \$4,156.81 drawn on the First National Bank of Newport payroll account. After discussion, there was a Wright/Reidlinger motion to approve the Accounts Payable. Motion passed by unanimous vote of the Authority.

Incoming Correspondence

A list of all incoming correspondence can be found on the July 5, 2006 agenda.

The 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

Old business was discussed during the meeting.

New Business

Applications for Treasurer Position – Applications will be discussed at executive session.

Executive Session

At 10:30 p.m., the Authority entered into executive session to discuss legal and personnel issues.

At 11:40 p.m. the executive session ended.

There was a Reidlinger/Wright motion to interview candidates for the position of treasurer starting at 6:00 p.m. July 11, 2006. Motion passed by unanimous vote of the Authority.

There was a Reidlinger/Graybill motion to remove the restriction from the Solicitor regarding the legal affairs associated with the Water Street issue and accept his written agreement effective this evening. Motion passed with Henry voting against the motion. The Solicitor stated that he would no longer be billing the Authority by the hour for Water Street issue.

There was a Reidlinger/Wright motion to instruct the Secretary to suggest dates within the next thirty days for a public meeting with the Borough to discuss Water Street issues. Motion passed by unanimous vote of the Authority. It was the consensus that solicitors and engineers are to be present at the meeting.

There was a Reidlinger/Wright motion to have the Solicitor prepare the appropriate documentation accepting the offered presented by Allen Hench concerning additional right-of-way at Petersburg Commons. Mr. Hench is also to be notified that the Authority will provide water and sewer service for all remaining undeveloped lots. Lee expressed concern that the latter will leave the Authority wide open if the Borough decides to shut it down for some reason. The Solicitor noted that the Borough has been ordered by the PUC to allow water service for the remaining lots, and provision of sewer service is covered by the Inter-Municipal Agreement. He

offered that the project was approved years ago and the Authority committed at that time to provide water and sewer services. Motion passed by unanimous vote of the Authority.

Time Extension for Connection of the Rose Bender Property – After discussion, there was a Reidlinger/Wright motion to recommend to the PTS that a sixty-day extension be granted to Rose Bender for connection of her property on State Road. Motion passed by unanimous vote of the Authority.

EDUs at Brosius Property on State Road – It was discussed that there was confusion as to the number of dwelling units that exist at the Brosius property. The Inspector will be asked to investigate the property and make a recommendation at the August 2, 2006 meeting.

Line of Credit (LOC) Refinancing - Chairman Shaffer asked Lee if the Budget Committee has met to discuss refinancing the LOC at the Marysville Bank. Lee responded that he is waiting for more information from Don Lavine to present to the committee.

Adjournment

With all business completed, a Reidlinger/Graybill motion for adjournment was made at 11:55 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary