

PENN TOWNSHIP MUNICIPAL AUTHORITY
PERRY COUNTY
102 Municipal Building Road
Duncannon, PA 17020

September 6, 2006

The Penn Township Municipal Authority (Authority) met on Wednesday, September 6, 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 (BH), Engineer
Donald Lavine, The ARRO Group (ARRO)

Authority staff present:

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

Visitors present:

John Myers	Lynn Harbold
Brad DiPaolo	Amy Harbold
Robert Harbold	Dale McGuire
Marian Hoffman	

Minutes

After discussion, and upon a Wright/Holman motion, the Authority voted unanimously to approve the August 2, 2006 minutes as presented.

Visitors

Brad DiPaolo, State Road

Mr. DiPaolo stated that he has been involved in the abandonment process of septic tanks after connection to the public sewer. He asked Franklin Reidlinger if he wanted to be present for the abandonment process. Franklin replied that he would like to be contacted for that process and that, if he was not available, Mr. DiPaolo should contact the Authority office.

Lynn Harbold, 10 Firehouse Road

Mr. Harbold presented a report of a water sample from his home that he had tested because his septic drain field had been disrupted during installation of the sewer main. He stated that a previous water sample tested when he purchased the house had satisfactory results. He said that his water now has an odor and he can not drink it. Chairman Shaffer reviewed the test results and noted that no E. coli were detected and that the total coliforms were 165 parts per ml. Chairman Shaffer explained that E. coli is an indication of the presence of a parasite from the intestines of mammals and that there was none indicated. He continued that total coliforms does not necessarily represent contamination from human or animal intestines, but can be a result of decaying vegetation.

Chairman Shaffer asked if Mr. Harbold knew the procedure for disinfecting his well. Mr. Harbold replied that he did, but had not yet done that. Chairman Shaffer informed Mr. Harbold that the matter would be referred to Don Lavine, the construction engineer, who would forward it to the contractor for further review. He suggested that Mr. Harbold locate a copy of his previous test result in the event that the contractor requests it.

Mr. Harbold stated that the residents of Lower Cove/Perdix were informed in a public meeting some time ago that sewer rentals would be \$125 per quarter and now the rate is \$70 per month. He offered that, if he had known it would increase that much, he would not have signed a right-of-way (ROW) agreement with the Authority. Chairman Shaffer explained how the Authority applied for grant money and did not receive any and that the Authority continues to look for grant sources. He continued that the intent of the Authority was to keep the sewer rates at or close to the level they were before construction began, but an independent review of financial conditions showed that rates had to be raised in order to meet expenses. He offered that it was a difficult decision for the Authority to raise rates. Lee then presented Mr. Harbold with a copy of the financial study compiled by Mark Derr.

Mr. Harbold offered his opinion that the Authority should be comprised of members who are sewer customers because members who are not customers could not care less about how high the rates go. Chairman Shaffer responded that he did not feel it was fair to say that they could not care less. He told Mr. Harbold that issue should be directed to the Penn Township Supervisors (PTS) who appoint the members of the Authority.

Amy Harbold, 16 Firehouse Road

Ms. Harbold stated that several wells on Firehouse Road have been affected by the sewer construction, citing that a neighbor's well on her property was one of them. She asked what her concerns should be over a total coliform result of 165 parts per ml. Chairman Shaffer noted again that Mr. Harbold's results are not necessarily indicative of animal or human contamination. He added that it remains to be seen whether it is a contractor responsibility. He recommended that, in the interim, she take proactive measures such as disinfecting her well.

Robert Harbold, 16 Firehouse Road

Mr. Harbold stated that he is in the wastewater treatment business and that the \$70 per month sewer rate is the highest he has seen in a four-state area. He stated that he understands the problems facing the Authority but asked that something be done to lower the rates. Chairman Shaffer responded that the Authority's rates are not out of line with the rates paid by Duncannon Borough (Borough) customers. Mr. Harbold offered that borough rates are usually higher than rural rates. Chairman Shaffer responded that, to the contrary, the older the system usually the lower the rates, and that typically boroughs and cities have older systems.

Dale McGuire, Petersburg Commons

Mr. McGuire asked the Solicitor for his reaction to the latest proposal presented by Petersburg Commons, Inc. The Solicitor responded that the Authority has not yet seen the proposal and that it would be discussed later in the meeting.

Construction Phase Engineering Report See written report dated August 29, 2006

Contract 04-02 Dutchland – Mr. Lavine reported that the control building door has now been painted. He stated that the issue of the standing water in the meter pit has been addressed and that the water pit has been pumped. He relayed that Dutchland is recommending that a fiberglass insert be placed inside the manhole cover. He noted that the contract did not call for a watertight lid. Chairman Shaffer asked if the infiltration is coming through the walls or from surface water, with Mr. Lavine relaying that Dutchland thinks that it is surface water infiltration. The Operator stated that he had covered the lid prior to the last rain but has not opened the manhole to see if that prevented water from entering. Mr. Lavine stated that he would provide a list of suppliers for fiberglass inserts. The Operator stated that he would first transfer a watertight lid from another location to see if that helps the situation.

Contract 04-02 Herr Signal and Lighting – Mr. Lavine reported that Herr has connected the power monitor in the control building. The Operator stated that the only outstanding item is the calibration of the new flow meter. He explained that calibration requires a greater flow than currently available and the company is waiting for additional customers to be connected to the system. Chairman Shaffer cautioned that the warranty started with the date of substantial completion and that by December 7, 2006 the Operator should be on record with Mr. Lavine that calibration needs to be completed. The Operator stated that he is on record with Mr. Lavine, Dutchland, and the manufacturer of the meter. Mr. Lavine offered his opinion that Dutchland recognizes that calibration is useless at this time, and feels that they will come back when the flow is improved. Mr. Lavine will send Dutchland a letter reminding them that the meter will need to be calibrated when there is a greater volume of flow.

Contract 04-01, Doli – Mr. Lavine reported that there are three outstanding complaints to be resolved and that he would update the complaint log. He stated that he has not yet received any record drawings from the contractor. After he receives and reviews them, he will forward copies to the Authority.

Air/Vacuum Valve – Mr. Lavine reported that he had been notified by Authority staff that a number of air/vacuum valves are leaking and filling the associated manholes with sewage and/or water. He stated that Doli pumped out several of the manholes and checked the valves. He reported that it appears that the valves are operating correctly but are not seating after releasing air. Mr. Lavine stated that Doli has contacted ValMatic, the manufacturer of the valves, to determine why the valves are leaking and added that ValMatic recommended that all the valves be closed until they determine the reason for the problem. Mr. Lavine stated that he has reviewed the shop drawings and that the valves were installed in accordance with the specifications. He added that ValMatic is speculating that they are not the correct valves for the project. Chairman Shaffer asked Mr. Lavine if he is satisfied that the system will perform satisfactorily with the air/vacuum valves closed. Mr. Lavine responded that he was not involved with the design of the hydraulics of the system and does not want to offer an opinion. He did suggest that the Authority might want to consider an evaluation of the hydraulics of the system to see what valves are necessary and where. Chairman Shaffer asked if the Authority should take any action this evening, with Mr. Lavine responding in the negative. Mr. Lavine then noted that he did determine that the valves that were installed were manufactured for sewer systems and not water systems.

Watertight Manholes – Mr. Lavine reported that he had been notified by Authority staff that a number of watertight manholes acting as chambers for the valves, are filled with clear water. He stated that Doli was directed to address the situation.

Grinder Pumps – Mr. Lavine reported that Doli was directed to look at all grinder pumps to make sure that no surface water can enter the tanks. He also stated that he directed Doli to contact E-One to discuss the situation regarding the tanks that were not subject to receipt of surface water but still had water in them.

Response to Mr.DiPaolo's Questions – Mr. Lavine then reviewed his written response Mr. DiPaolo's questions from the August 2, 2006 meeting concerning the use of concrete anchors, horizontal concrete thrust blocks, installation of flushing stations, and grinder pump control panel conduits.

Change Orders – Mr. Lavine presented a list of outstanding change orders for Contract 04-01 and noted that the amount of credit for the Rt. 11/15 borings has not yet been determined. Mr. Lavine noted that ARRO was holding \$200,000 until completion of the punch list by Doli.

PennVest Application for Payment – Mr. Lavine reported that the amount requested for payment this month includes interest and time/labor spent by the Inspector on projected-related work. The Inspector asked if the cost of the system hydraulics evaluation mentioned earlier could be included as a PennVest reimbursement request. Chairman Shaffer responded that it could be submitted to see if DEP approves it. After discussion, there was a Wright/Holman motion to approve PennVest Application for Payment No. 19 in the amount of \$5,293.96. Motion passed by unanimous vote of the Authority.

Contaminated Manhole Chambers – The Operator recommended that Baker disinfect the manhole chambers contaminated with black water. After discussion, it was the consensus that in the future all contaminated pumps should be disinfected after they are pumped out.

Plant Operator's Report See September 2006 Operator's Report

DMRs – (see written Discharge Monitoring Reports dated July 2006). The DMRs were reviewed with the note that the average influent BOD level for the Cove Wastewater Treatment Plant (WWTP) was 236 mg/l, which is below the design amount of 240 mg/l. Chairman Shaffer noted that the 1" of rain received on July 6, 2006 appeared to have little impact on the amount of influent flow. The Operator then presented and explained the *Supplemental Laboratory Accreditation Form*, a new report required by DEP each month. The Operator extended an invitation that Authority members contact him at any time with questions.

Sunshine Hill/Petersburg Commons Water System – The Operator reported that one coliform was detected in the water sample taken from Petersburg Commons and that the resulting four check samples were negative. He stated that no E. coli was found, and attributed the positive reading to a foreign substance entering the sample after collection.

Cove WWTP Organic Re-rate and NPDES Inspection – The Operator reported that DEP has approved the application for organic re-rating of the Cove WWTP. He explained that the purpose of the re-rating was to increase the organic loading capacity as a result of changes made during construction. He stated that the WWTP was re-rated from an organic load of 208 lbs/day to 450 lbs/day and was initiated because the BOD permit limit would otherwise soon be reached due to the high strength waste entering the WWTP.

The Operator reported that the NPDES compliance inspection was completed on August 14, 2006 by DEP, with the notation that the WWTP operation was satisfactory. The Operator noted that the official

report would not be received from DEP for one year, unless there were violations. He then presented the official report from the inspection completed on June 23, 2005.

Inspector's Report See Inspector's Report for August 2006

Master Meter Reports – The Master Meter reports were reviewed with the note that all readings appear to be in line. The Inspector offered that the repair work done on the Clark Street wastewater flow meter appears to have been successful.

Business Campus One (BCO) – The Inspector reported that he had met with Carl Fox, the BCO representative, and the Engineer to vacuum test MH 12 and MH 13 at BCO and that both manholes passed the tests.

Video of Market Street Sewer Line – The Inspector recommended that all members view the video of the Market Street line and then read the JOAC documentation. After discussion, there was a Reidlinger/Holman to authorize the Engineer to make three copies of the video for distribution to the members. Motion passed by unanimous vote of the Authority.

Glenn Hockenberry Property on Hill Top Road – The Inspector reported that, as directed, he measured the distance from the curb stop to the corner of the Hockenberry house and found the distance to be fifty-seven feet, well within the 150-foot connection distance..

Property at 1623 State Road – The Inspector reported that he had been requested to determine the amount of EDUs being used by the former Kuddly Bear property. He relayed that the property owner informed him that there were three dwelling units, two in the rear and one in the house. He said that his inspection revealed three electric meters and four mailboxes. After discussion, it was the consensus to base the EDUs being used on the number of electric meters.

Freet/Taylor Property, Pee Wee Lane – The Inspector reported that he was directed to research the definition of "disconnection" in the Rules and Regulations (R&R). He quoted from Section 7.10 that a disconnection must be made at the wye of the service lateral, and must be capped, and that the disconnection will not take effect until it is inspected and approved in writing. The Solicitor added that, if a disconnection is made, the property may not be reconnected until a connection permit has been issued and the fees have been paid. The Inspector stated that he could not find any documentation in the Authority's files that a disconnection was approved. He added that he looked at the property and the disconnection was made by sawing off a copper pipe in the crawl space.

The Solicitor stated that a property owner can either continue to pay sewer rental charges or disconnect and then pay a tapping fee to reconnect. He offered that, if the Authority determines that this property has not been disconnected, then a sewer rental fee could be assessed, adding that the Authority can go back three years. He stated that, if the current owner can prove that he inquired about outstanding sewer rental charges at the time of purchase and was told that there was no outstanding balance, then he should only be charged from that date forward. If no proof can be shown, the Authority has the right to go back three years, which would be less expensive than charging the current owner a tapping fee.

Franklin offered that the pipe has been sawed off and no sewage has been dispensed. The Inspector offered that the house has been vacant since John Freet moved out but he has no proof that sewage was not introduced into the system.

The Billing Clerk reported that the last payment for the property was made in May 2000 giving a zero balance. She stated that she has no documentation showing why billing was discontinued.

Henry asked if the Authority could charge a reservation of capacity fee instead of a reconnection fee or three years of back sewer rentals.

The Inspector noted that the reason for the disconnection regulation in the R&S was to deter property owners from requesting a rebate of sewer rental charges when they were on vacation. He noted the discussion at a previous meeting where the consensus appeared to be that a tapping fee had already been paid for this property and would not need to be paid again. He offered that this might set a precedent, in that vacationers might choose to pay the \$100 disconnect fee instead of monthly rental charges, since they would not need to pay an additional tapping fee. The Solicitor noted that this was a unique situation that would not apply to vacationers and would not set a precedent if included in the motion.

After discussion, there was a Reidlinger/Graybill motion to waive back sewer rental charges or a tapping fee due to unusual circumstances concerning this property. Motion passed by unanimous vote of the Authority.

Cove Centre Grease Infiltration – The Inspector reported that he and the Operator inspected the wet well at the Cove Centre earlier in the day and found balls of grease in the wet well and a buildup of grease on the sides, floats, and motors. He stated that the owner, Randy Rohrer, had told him that the wet well had been pumped and cleaned on August 14, 2006. It was noted that Mr. Rohrer had been sent a letter on August 22, 2006 informing him of the need to pump the wet well every two weeks and advising him of the economic benefits of purchasing a new grease trap. Franklin volunteered to contact Mr. Rohrer and explain the urgency to remedy the grease infiltration problem.

Hoffman Property, 1501 State Road – The Inspection reported that, in order for the grinder pump to be connected to the Hoffman's house, the line had to run through the septic tank, which caused it to be demolished. The installed sewer line then failed the subsequent air test with the result that the property is connected to the sewer through a "failed" line. Henry asked if it was known where the leaks were, with Mrs. Hoffman responding that they were having a hard time isolating them. She said that the contractor is in the process of tearing the line apart and priming it before reconnection. She offered that, since she is using the system, she should be charged for it. After discussion, it was the consensus that the Authority would do what it could to help the Hoffmans obtain a connection that would pass the final air test and that they would be billed as of the date of the original connection.

Business Campus One – Upon questioning, the Inspector reported that he has not received any record drawings for BCO and that it was his understanding the issue was related to the outstanding fees owed to the Authority.

Norm's Tire and Auto – The Inspector reported that, due to lack of coordination between the contractor and the UCC inspector, Norm's Tire and Auto was connected today without a final inspection. A final inspection will be made at a later date by the UCC inspector and the Billing Clerk will start billing effective today.

Manhole 7.14 – The Inspector reported that Manhole 7.14 along Butchershop Road has been exposed due to the high water level of the Little Juniata Creek and subsequent erosion of the creek bank. He offered that he did not think there was any chance of infiltration. After discussion, it was the consensus to have the Engineer pay an on-site visit to review the situation prior to the meeting on October 4, 2006.

Petersburg Commons Manholes PC 3 and PC 4 – The Inspector suggested that the metering flume on PC 3 be removed because it is not being used and solids catch on it. He reported that he examined Manhole PC 4 earlier today and the channel is running full and solids have built up on the edge. He offered his opinion

that, due to the situation with the Market Street line and the build up of solids in these two manholes, it could cause problems with the sewage leaving Petersburg Commons.

The Engineer added that, during his inspection, solids and paper appeared to be backed-up on the edge of the small-throat flume in PC 3 and recommended the flume be removed, adding that it would need to be chiseled out. The Inspector asked if the crosspieces on the flume could be hack-sawed off. Chairman Shaffer offered that their purpose was probably to strengthen the walls of the manhole while the concrete was being poured and that he had no problem with their removal.

A discussion was held on the flushing frequency of the manholes in the vicinity of all meter chambers. The Inspector reported that a flushing schedule had not been followed this year as a cost-saving measure. After discussion, it was the consensus to have the Inspector remove the crosspieces and ask the Borough to flush PC 2, PC 3, PC 4 and the metering chambers at Clark Street and Ann Street and forward the bill to the Authority.

Petersburg Commons Manhole PC 2 – The Inspector reported that Manhole PC 2, located in a grassy area, has a heavy traffic cover about one inch higher than the manhole frame with twelve holes in it. He stated that he would purchase stainless steel bolts and insert them through the holes. Chairman Shaffer questioned why the Authority used covers with holes in them. The Inspector replied that all manhole covers in Petersburg Commons have holes in them and that the previous inspector plugged the holes with stainless steel bolts.

DEP Seminar – The Inspector reported that DEP is conducting a seminar on emergency response plans on October 18, 2006 at a cost of \$35.00 and stated that he would like to attend. After discussion, there was a Reidlinger/Wright motion to approve the Inspector's attendance at the DEP seminar. Motion passed by unanimous vote of the Authority.

Engineer's Report See written report dated August 31, 2006

The following items were discussed:

John Warden Subdivision Plan, File #2005-06 – The Engineer reported that he was contacted by the developer's engineer regarding a new possible routing for the effluent sanitary sewer and was requested to furnish record drawings. He stated that he informed the engineer to submit an informal sketch of their intentions so that he knows what information to provide. Chairman Shaffer asked the Engineer to remind the developer's engineer that the Borough has requested a \$5,000 deposit to review any plans that provide for flow being discharged into their sewer lines.

Kinkora Land Development Plan, File #2005-05 – The Engineer reported that he has not reviewed Kinkora's plan because Kinkora has not yet established an escrow account.

Petersburg Commons Water Meter Vault – The Engineer reported that bids for the meter vault were reviewed by the Engineer and Solicitor. In addition, the Notice of Intent to Award was sent; bonds, insurance, and signed agreements were reviewed; and the Notice of Award and Notice to Proceed were forwarded to the contractor. He stated that he expects to receive shop drawings by the end of next week and that excavation should start within a month. At this time he presented the contract for signature by the appropriate Authority officials, which was done.

Cove Mountain Development – The Operator presented a set of concept plans for Cove Mountain Development and questioned why BH was listed as a sub-consultant. The Engineer responded that he assumes it is because BH conducted a traffic study for the developer. The Operator stated that there is no reference to a traffic study in the concept plans. The Engineer stated that he will go back to BH and find

out why its name is on the plan as he was not aware that the firm is preparing more than the traffic study for the development. Henry requested that the Engineer provide a letter stating that BH is not part of that project. Chairman Shaffer offered that it would be appropriate for BH to have its name removed from the plan if it has no further involvement.

Solicitor's Report See written report dated September 1, 2006.

Joe Roberts Grease Trap Agreement – The Solicitor presented a draft agreement allowing Joe Roberts to use an under-counter grease trap until such time as it is of insufficient size or food is prepared on-site, at which time an exterior grease trap of design and type approved by the Authority will have to be installed. Irene will forward the agreement to Mr. Roberts for his review and approval.

Phone Calls – Lee asked the Solicitor if he had been able to research the specifics of phone calls that had appeared on the invoices that were discussed at the August 2, 2006 meeting. Regarding the call to Mark Derr, the Solicitor responded that he had many conversations with Mr. Derr about the Authority's financial condition and he could not locate his records on that exact conversation. He stated that the phone call regarding the JOAC meeting was prompted by either Irene or Franklin and concerned the issue of attendance by a majority of the Authority at the JOAC meeting and whether there was a problem with the Sunshine Act. Franklin stated that he instigated the call.

JOAC Meeting – Lee offered his understanding that all future JOAC meetings would be advertised to the public. The Solicitor concurred with that understanding. Irene stated that she would advertise the September 14, 2006 meeting and asked how it should be worded. The Solicitor offered to help with the wording.

Solicitor Per Meeting Fee – Chairman Shaffer asked the Solicitor if he had given consideration to a per meeting fee. The Solicitor responded that he would like to discuss that subject in executive session.

Water Street Issue - Henry asked how the Authority would know that the Solicitor is not billing his hours for the Water Street arbitration, since he is handling that on a contractual basis. The Solicitor responded that he was keeping a separate record of his hours and could send a monthly itemized list of the services he has provided to-date. Lee stated that would be helpful so the Authority would know how much to pay the Solicitor in the event the arbitration was settled early. He asked for the total expenses that have accumulated up to this point.

Jay Mutzabaugh, Hill Top Road – The Inspector stated that he had spoken with Jay Mutzabaugh earlier in the day and reported that Mr. Mutzabaugh would provide the necessary documentation that he is the owner of the Fasick property. The Solicitor offered that, once verification is provided, the ROW agreements will need to be re-recorded.

Agreement to Provide Lateral and Grinder Pumps to Unimproved Properties – The Solicitor reported that he had been requested to research what happens to these agreements when the unimproved property is sold. He offered his opinion that the agreement remains in effect with the change of ownership.

Billing Clerk's Report

Federal Tax Submission to the IRS – The Billing Clerk asked if she could submit payroll taxes to the IRS through their on-line procedure. She stated that it would appear on her payroll reports as an ACH deduction. After discussion, it was the consensus to submit payroll taxes to the IRS electronically.

Phase One and Two Connection Status - The Billing Clerk reported that, out of 62 properties involved in the phase one connection process, 16 properties have been connected, 9 extensions were approved at the August 2, 2006 meeting, and 12 have obtained their connection permits. She stated that the phase one deadline expired August 7, 2006. Those owners who had not obtained a permit were sent a follow-up letter giving them until August 31 to inform the PTS of their schedule for connection. She relayed that a letter would be sent out under the signature of the PTS's solicitor to those owners who did not respond to the follow-up letter.

The Billing Clerk reported that phase two notice to connect letters were sent on August 8, 2006 to 72 property owners and that 11 owners had obtained connection permits. She noted that the connection deadline for phase two is October 7, 2006.

The Billing Clerk was requested to provide monthly updates in spreadsheet format to the members.

Sewer Audit – The Billing Clerk reported that the quarterly sewer audit of non-residential customers compares the customers' water usage with the amount of EDUs purchased and is based on the customers purchase of an EDU defined as 175 gallons per day. She noted that the definition of an EDU has recently been changed to 150 gallons per day and asked for direction in preparing future audits and billing for additional EDUs. Lee offered his opinion that the Authority can not charge an additional fee for EDUs previously purchased, but that all future purchases should be based on 150 gallons per day. The Solicitor asked if the Authority has any agreements with these customers for their initial EDU purchase and suggested the agreements be reviewed to see if they specified the definition of an EDU as 175 gallons. Irene stated that she would research the files for agreements with non-residential customers.

Treasurer's Report See written Balance Sheet dated August 31, 2006.

Irene asked in which account she should deposit installment payments of the tapping fees. It was the consensus that she deposit all such payments into Account 109. Lee asked if the \$550,803.41 amount shown as owed on the Marysville Line of Credit (LOC) was accurate. She stated that, to the best of her knowledge, it was accurate. Lee noted that he had been trying to confirm that amount but was unable to make contact with representatives of the Marysville Bank. After discussion, there was a Wright/Reidlinger 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 \$21,650.74 as follows: \$19,717.50 drawn on the First National Bank of Newport regular account, and \$1,933.24 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.

Radocha Property, Railroad Street – Irene stated that Jackie Radocha has requested a refund of her tapping fee for a property, owned by the railroad, because the railroad will not sell the property. Franklin explained that the Radochas lease the property, that there is a vacant trailer on the property, and that no grinder pump was installed on the property. He stated that the family has a picnic pavilion on the adjacent property. Henry asked if there was water being supplied to the trailer, with Franklin responding that he did not think there was water on that property, but there was on the adjoining property. Lee requested that further discussion be tabled until it is determined if water is available on the property.

Incoming Correspondence

A list of all incoming correspondence can be found on the September 6 2006 agenda.

Time Extensions – Discussion was held on the letters from Lower Cove/Perdix property owners requesting a time extension for connection. After discussion, there was a Reidlinger/Graybill motion to grant all

requests a 60-day time extension. The deadline for the sixty days will depend on whether the request is for phase one or phase two. Motion passed by unanimous vote of the Authority.

Outgoing Correspondence

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

Motion to Extend Meeting

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

Old Business

Candidates for Position of Treasurer – A discussion was held on the four candidates who had applied for the position of treasurer. Henry offered his understanding that the Solicitor had stated there should be a separation of duties. The Solicitor responded that, if the Authority followed the advice of the auditor that he presented last month, any of the four candidates would be suitable. Henry stated that Susan had the advantage of being familiar with the workings of the Authority. Chairman Shaffer offered his opinion that, at some time, a list of specific duties should be compiled so that both Irene and the new treasurer know exactly what they are to do. Franklin stated that he had no objection to hiring Susan. Irene concurred, but stated that she wanted clarification on what she is to do and not do. She added that she thought the hourly rate should be at minimum wage because the job is not that demanding of a job.

Chairman Shaffer suggested that a motion be made to offer the position to Susan, after which a motion should be made setting the compensation. Lee moved that Susan Long be offered the position of Treasurer of the Authority, with Henry seconding the motion. Motion passed by unanimous vote of the Authority.

A discussion was then held on the salary requirements. Susan stated that she would be willing to work at her current rate of \$10.75 per hour for a six-month probationary period, after which she would request the amount given the current treasurer, \$12.00 per hour. There was a Reidlinger/Wright motion to pay a compensation of \$10.75 per hour during the six-month probationary period. Motion passed by unanimous vote of the Authority.

The Solicitor then noted that the Authority now has two treasurers. Franklin suggested that the previous motion be rescinded and that the Authority could vote again on the issue at the October 4, 2006 meeting, making the position effective at that time. Chairman Shaffer said that the position could be made effective on October 4, 2006 by modifying the previous motion. The Solicitor pointed out that there is currently not a vacancy of the treasurer position, because Irene is serving in that capacity. He noted that the Authority would either need to have Irene resign, wait until her term of office expires, or give a new title to the position offered to Susan. After lengthy discussion about possible job titles and responsibilities, there was a Reidlinger/Wright motion to change the previous motion and offer a position to Susan Long at an hourly rate of \$10.75, and a probationary period of six months, with the scope and title of the position to be decided at the October 4, 2006 meeting. Motion passed by unanimous vote of the Authority. Irene will notify the other three candidates that the position has been filled. Irene and Susan were requested to submit a list of tasks that the position should entail.

Consolidation of Bank Accounts – Lee noted that the Authority has thirteen bank accounts spread across several banks. He offered that the number of accounts could be reduced to four, and that possibly one bank could handle all the accounts, making it easier to track the funds. Chairman Shaffer stated that he has no problem with the concept, but requested that Lee interview several banks before recommending one of them. Irene offered that a consolidation would make it harder to track accounts, as each has its own

purpose. Chairman Shaffer suggested that Lee contact the auditor to see if there is a requirement for separate accounts and provide an update at the October 4, 2006 meeting..

Marysville Bank LOC - Lee noted that the LOC will need to be paid off or refinanced by October 15, 2006. He stated that there is \$747,000 in the various accounts and recommended taking \$250,000 to pay down the LOC before that time to save interest expense. Chairman Shaffer stated that he has no problem with that concept but requested that Lee contact Mark Derr to see if there is a specified amount that must be kept in reserve to satisfy PennVest requirements. Lee offered that the \$125,000 Authority contribution required by PennVest had already been fulfilled. Franklin stated that he would like to see a spreadsheet itemizing Lee's proposal. The Solicitor noted that the LOC is still available in case of financial emergency. After discussion, there was a Wright/Holman motion to transfer \$200,000 from Account 105 to pay down the Marysville LOC. Chairman Shaffer offered that he can support the motion because it is a step in the right direction and sends a positive signal to the Marysville Bank. Franklin offered to accompany Lee to the Marysville Bank when he goes to discuss refinancing of the LOC. He asked if Lee and Henry would consider rephrasing the motion to make it contingent on the advice of the auditor or Mark Derr. Henry offered that would lengthen the process by two weeks. Lee reiterated that he is trying to save the Authority interest expense with this pay-down. Chairman Shaffer called for the vote. Motion passed by unanimous vote of the Authority.

After further discussion, there was a Reidlinger/Holman motion to authorize Lee to request the assistance of Mark Derr and/or the auditor in connection with re-financing the LOC, consolidation of accounts, or soliciting proposals from financial institutions. Motion passed by unanimous vote of the Authority.

New Business

Fax Machine – Irene requested a new fax machine for the office and suggested that the old one be offered for sale. After discussion, there was a Wright/Holman motion to approve purchase of a fax machine in an amount not to exceed \$100. Motion passed by unanimous vote of the Authority. Irene will advertise the current machine for sale.

2007 Grant Funding – Lee presented information concerning grant funding projects for 2007 and suggested several uses. He proposed that the Authority and the Borough investigate submitting a joint application for grants to help defray out-of-pocket expenses incurred in the upgrading of the Market Street sewer lines. Franklin offered that the suggestion shows merit and suggested that it would be a good topic for a workshop session. Lee also proposed that grant funding be requested to upgrade the Sunshine Hill water system. The Engineer offered that Community Development Block Grant (CDBG) funds are getting scarce, although some will be released in the spring of 2007. Chairman Shaffer questioned the CDBG eligibility and stated that he would like to have additional time to read the information presented by Lee this evening.

Executive Session

At 10:55 p.m. the Authority entered into Executive Session to discuss legal matters. At 11:50 p.m. the Authority reconvened.

There was a Reidlinger/Holman motion to accept the offer from Perry County Economic Development Corporation of \$1,000 as full payment for their escrow account delinquency, contingent on receipt of the Deed of Dedication, record drawings, and other contractual documents that remain to be completed. Motion passed by unanimous vote of the Authority.

There was a Reidlinger/Wright motion that the Solicitor be authorized to notify Allen Hench or Dale McGuire that the Authority will accept the agreement and ROW on the form faxed to Mr. Hench on August 30, 2006 with the following revisions:

- The Authority will agree to take action on permit applications within thirty-five days of the receipt of the properly completed application and payment of fee. Upon failure to do so the permit application will be deemed approved.
- The Authority will pay the fair market value for the ROW which is to be acquired for the meter vault, that value to be determined in an eminent domain proceeding or other comparable or agreed-upon forum.
- The Solicitor is authorized to approve other minor changes requested by Petersburg Commons, Inc.

Motion passed by unanimous vote of the Authority.

There was a Reidlinger/Wright motion to adopt Resolution 09-06-06-1, approving a declaration of taking for the ROW required from Petersburg Commons, Inc. for the meter vault, and authoring the appropriate documents to be filed at such time as the Solicitor determines it to be necessary. Motion passed by unanimous vote of the Authority.

Adjournment

With all business completed, a Reidlinger/Holman motion for adjournment was made at 11:57 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary