

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

November 1, 2006

The Penn Township Municipal Authority (Authority) met on Wednesday, November 1, 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

Authority staff present:

Ed Chism, Plant Operator
Susan Long, Billing Clerk, Financial Accountant, and Recording Secretary

Visitors present:

Chris Hinkle, Burget & Associates
Sam Krick Randy Rohrer
Henry Holman, Jr. John Myers
Donald Carpenter Raymond Hall
Carol Nguyen Alan Houck

Minutes

There was a Holman/Reidlinger motion for approval of the September 6, October 4, and October 12, 2006 minutes as presented. Motion passed by unanimous vote of the Authority.

Visitors

Chris Hinkle and Sam Krick

Mr. Hinkle explained that he is the engineer for Mr. Krick, who owns property that he would like to subdivide on Sunshine Hill. He stated that the Penn Township Planning Commission (PTPC) has recommended to the Penn Township Supervisors (PTS) that they approve the subdivision and that the provision of sewer is the only outstanding issue. He continued that there is capacity in the sewer line but that Duncannon Borough (Borough) will not sign off on the DEP mailer because the High Street interceptor is damaged. Mr. Hinkle noted his understanding that the issue is being discussed between the Authority and Borough and asked what the PTS could do to expedite the matter.

Chairman Shaffer reported that the Authority had received a video of that section of the High Street line, that he had viewed it, and that he understood their concern. He stated that the issue would be discussed later in the evening and invited Mr. Hinkle and Mr. Krick to stay until it was discussed.

Randy Rohrer, Cove Centre

Mr. Rohrer stated that he understands that the Authority is concerned about his current grease interceptor at Cove Centre and that he is researching replacements. Chairman Shaffer explained to Mr. Rohrer that the current interceptor creates a management problem with the pump station and also overloads the organic capacity of the Cove wastewater treatment plant (WWTP). Mr. Rohrer offered his understanding that the Authority would like to have all the tenants hooked up to one interceptor. Chairman Shaffer stated that the ideal situation would be to have each tenant have its own lateral with a grease interceptor. He also stated that it is the Authority's understanding that the excess grease is coming from just one of the tenants.

Chairman Shaffer suggested that Mr. Rohrer, Operator Ed Chism, and Engineer Dennis Crabill relocate to another room to discuss the type of replacement and its installation. Mr. Rohrer then noted the amount of water that is being discharged into the sanitary sewer system and asked if the water that is being used to cool the freezers and refrigerators could be metered and discharged into the drainage system instead of the sanitary sewer system. Chairman Shaffer replied that the Authority currently has several non-residential customers with deduct meters and would be willing to work with Mr. Rohrer on that subject.

Chairman Shaffer reminded Mr. Rohrer that the Authority would need record drawings and a deed of dedication turning the sewer facilities over to the Authority. Mr. Rohrer replied that he thought his engineer had submitted all necessary paperwork to the Authority. The Solicitor stated that he did not remember receiving a signed copy of the deed of dedication from Mr. Rohrer's engineer. Both Mr. Rohrer and the Solicitor said that they would check to see if the documents had been forwarded and received.

At this time, Mr. Rohrer, the Operator and the Engineer left the meeting to discuss the issue of replacement of the grease interceptor.

Henry Holman, Jr., PTS

Supervisor Holman stated that he had attended the October 24, 2006 JOAC meeting where the video of the damaged section of the High Street line was viewed and discussed. He urged the Authority to take action on the repair of the line as the Krick subdivision would provide additional revenue to the Authority.

Supervisor Holman stated that he has seen copies of correspondence between the Authority's Solicitor and Bill Bunt, solicitor for Perry County, regarding the Water Street arbitration, but has never seen any mention in the minutes authorizing the Solicitor to send this correspondence. He relayed that Franklin informed him that there was an agreement between the Authority and Mr. Shatto regarding the Water Street arbitration. He asked the Solicitor if there was an agreement, and if there was, could he see it. The Solicitor replied that approval for the agreement was given at a public meeting. Chairman Shaffer replied that did not know if there was a problem with Supervisor Holman seeing the agreement or not. Supervisor Holman replied that, if there was an agreement for expenditures of money, he should be able to see it. Chairman Shaffer replied that the agreement was not for an expenditure of money. Supervisor Holman replied that money is being spent in that someone has to pay for all the correspondence and work the Solicitor is doing. Chairman Shaffer stated his understanding that the Authority is not paying for the Solicitor's work on this matter. Supervisor Holman stated that he would like to see the agreement to prove that statement. Chairman Shaffer explained that the agreement deals with legal issues, and as is done on the PTS level, are discussed in executive session and do not go public. The Solicitor stated that he would review the agreement to see if it contained any confidentiality or privilege issues, and if not, he would provide a copy to Supervisor Holman

Supervisor Holman offered his opinion that the size of the vault designed to contain the water meter at Petersburg Commons was twice as large as it needed to be. Chairman Shaffer responded that Supervisor

Holman has worked with engineers in his job and should not be surprised by the specifications. He noted that specifications can contain 95% boilerplate material, material which could prove valuable if it were needed at a later date.

Supervisor Holman concluded by offering that many positive discussions were held at the October 24, 2006 JOAC meeting. He then urged the Authority to stop all unnecessary legal expenditures that must be paid for by the ratepayers.

Carol Nguyen, 7 Hill Top Road

Mrs. Nguyen stated that she has received a notice to connect, a second notice, and a letter from the PTS informing her of the penalties for non-compliance. She stated that she called the Authority but could get no answer to her questions about the sewer project, specifically why a gravity system was not installed, instead of requiring grinder pumps when she lives on a hill. She said she was told to just install it and not to ask questions. She said that when the contractor came on her property to install the grinder pump she told him that she did not want it installed until her questions were answered. She said Franklin later came to her door and told her that she could not use a gravity system at her house and needed a grinder pump and that the contractors would be leaving within the month. She then called the Authority the next day and said she wanted the grinder pump installed and was told by Irene that she was too late. Mrs. Nguyen said she knew that was not true, because the contractor was still there. She said that if someone would have answered her questions earlier, like Franklin did that day, she would have had the grinder pump installed. She said she would still like to know why a gravity system was not installed.

Chairman Shaffer explained that a gravity system was not used in Perdix because it was not economically feasible due to the number of pump stations that would be needed. He added there is no gravity system in use south of the high school. Chairman Shaffer stated that he gathered she missed the window of opportunity to inform the Authority where to install the grinder pump. She said that Franklin came and explained everything about the line and told her to call the Authority the next day before the contractor leaves the area. She said she called and was told it was too late. Franklin stated that what Mrs. Nguyen said was true.

Irene stated that, beginning in 2004, regular and certified letters were sent to the Perdix residents informing them about the sewer project. She said that when the contractor, Doli, went onto Mrs. Nguyen's property to install the grinder pump, they were ordered off the property by Mrs. Nguyen or they would be arrested. She added that Doli would have documentation as to the date this occurred. She said that all residents were sent another letter in the spring of 2006 giving them the timeframe of the project and that Mrs. Nguyen did not respond. She added that she does not believe it is true that Mrs. Nguyen called the office in March or April that she wanted a grinder pump, that she thinks it was only one or one-and-a-half months ago. She said that was when she told Mrs. Nguyen that she was too late, that the contractor was already gone.

Mrs. Nguyen disputed this statement. Irene replied that when Inspector Sam Auxt returns from vacation, he can report on everything the Authority did to try to get Mrs. Nguyen connected. Mrs. Nguyen said she would like to see a copy of the certified letter sent to her, because she did not receive it. She added that she does not always get her mail because it is often delivered to 7 Hill Road or 17 Hill Top Road.

Chairman Shaffer offered his opinion that the Authority needs to get an exact timeline when these incidents occurred. He invited Mrs. Nguyen to return for further discussion at the December 6, 2006 meeting to give everyone time to research what happened and when it occurred. He added that the issue involves the cost of the grinder pump, which was installed at no cost to the residents at that time, but might now have to be installed at Mrs. Nguyen's cost. Chairman Shaffer stated that he found it difficult to understand why no one answered her questions. Franklin stated that he talked to Mrs. Nguyen and asked her to talk to Irene but that he would have to research the date of the conversation.

Mrs. Nguyen said she talked to DEP who told her that not everyone had to have the sewer installed and that it was up to the PTS. Chairman Shaffer replied that everyone in Perdix will have to connect to the sewer system as per DEP's requirement. Mrs. Nguyen said she would talk to her contact at DEP to see who was correct.

Alan Houck, Penn Township Police Chief.

Chief Houck reported that he and his officers have been receiving calls from residents about Doli recently trespassing on private property. He stated that he had been told that there was an agreement between the property owners and the Authority giving permission for the work to be done and asked if that was correct. Irene explained that she sent a letter to every resident informing them that Doli would be coming back onto their property to lower the electrical conduit. The Solicitor stated that every resident with a grinder pump signed a right-of-way (ROW) agreement to allow the Authority access to maintain the pump, and offered that it would include work on the electrical conduit.

Franklin stated that it appears that Doli is going onto the properties without knocking on the doors and informing the residents they are there. After discussion, it was the consensus that Irene will contact Don Lavine on Friday to request that he contact Doli to notify the residents when they arrive on their property.

Randy Rohrer

At this time, Mr. Rohrer, the Operator, and the Engineer returned to the meeting. Mr. Rohrer stated that their decision was to leave the existing grease interceptor in place, install a new interceptor in the stone buffer area, and add a clean-out between the two. The Operator added that a new line would be installed to the grease interceptor so that all the businesses could connect to it. The Engineer then presented a sketch plan of the proposed suggestion, which was agreeable to Mr. Rohrer, the Operator and himself. Mr. Rohrer was requested to contact Dave Matafka, the Township UCC inspector, to witness the air test of the new sewer line.

Regarding the installation of a deduct meter, the Engineer stated that he would contact DEP to see if the water from the chillers can be discharged into the drainage system.

Plant Operator's Report See Written Report for November 2006.

DMRs – (see written Discharge Monitoring Reports dated September 2006). The DMRs were reviewed with the note that the average BOD level at the Cove WWTP was 261 mg/l, slightly above the Authority's design limit of 240 mg/l. The Operator extended an invitation that Authority members contact him at any time with questions.

Sunshine Hill Water System – The Operator reported that two chemical pumps are needed for the Sunshine Hill water system. He explained that the pump for the sequestering system has never worked correctly because it was sized incorrectly. He said that he has been using a spare pump but that it is now wearing out. He suggested that a new chemical pump be purchased for the sequestering system and a backup chemical pump be purchased for the chlorination system. He stated that the cost of each pump would be \$288.

The Operator reported on a past experience where a pump failed but the chlorinator continued to add chlorine. He asked that the Authority consider putting \$500 into the 2007 budget for a flow-sensitive device that would prevent the chlorinator from pumping when there is no water flow. He was requested to forward the information to the budget committee.

After discussion, there was a Holman/Reidlinger motion to authorize the Operator to spend up to \$600 for two new chemical pumps. Motion passed by unanimous vote of the Authority.

Leak Detection Survey – The Operator reported that PA Rural Water Association (PRWA), the Inspector, and he conducted a leak survey on Sunshine Hill on October 26, 2006. He stated that an estimated leak of

6,000 gallons per month was found near the valves on Butchershop Road. The Operator explained that PRWA's correlator was not advanced enough to be used on plastic pipe but that PRWA felt the leak was within ten feet of the valve. Chairman Shaffer suggested that test pits could be dug every twenty-five feet to help pinpoint the leak. The Operator offered that he thought that excavation should start in the vicinity of the valve. After discussion, it was the consensus that the Operator should contact the Borough for use of their correlator to help determine the source of the leak and then have the necessary repairs completed.

Cove Collection System – The Operator reported that nine of the CAVC chambers contaminated with black water are located on Susquenita School District property and can not be cleaned until ground conditions improve and the equipment can be driven on the property. The Operator reported that an open flushing port was discovered in a CAVC chamber on Chilton Street and the chamber had to be re-cleaned because of it. He stated that he would share the information with Don Lavine. The Operator reported that a submersible pump at the original Cove WWTP needs repaired and will be sent to Heim Electric. He said that the cost should be around \$600 and that money is included in the budget each year for this type of repair.

BOD Samples – The Operator reported that the Inspector and he took BOD samples of the Cove non-residential customers on October 25, 2006 and that he will inform the Authority of the results when he receives them from the laboratory.

Kinkora WWTP – The Operator reported that, for the first time since 1993, a submersible pump in the Kinkora WWTP needs to be repaired and will be sent to Heim Electric. He added that the expenditure was included in the 2006 budget.

Cove and Kinkora WWTP Annual Report – The Operator stated that he had reviewed the annual report of the Cove and Kinkora WWTPs and found them satisfactory.

Inspector's Report See Inspector's Report for October 2006
In the absence of the Inspector, the Operator presented this report.

Sewer Project Complaints – The Operator reported that two sewer project-related complaints had been given to the Inspector by Sam Smith and Jodi Rissinger and that he had forwarded them to Don Lavine as requested by the Inspector. Irene noted that Mr. Lavine was in the office earlier today and offered that she thinks he talked to Ms. Rissinger about her complaint.

Master Meter Reports – The Master Meter reports were discussed, with the note that the readings for Ann Street on October 18 and 25, 2006 would be reviewed by the Operator to see if they were correctly entered on the report.

Norm's Tire– A discussion was held on who provides the water meters for non-residential customers with the consensus that the Authority provides the meters and the customer is responsible for the installation. Chairman Shaffer requested that Sam and Irene check the Authority's Rules & Regulations to make sure it specifies the procedures for installation of water meters, and if it does not, to propose necessary language at the December 6, 2006 meeting.

A discussion was held on whether a grit chamber would be necessary if there is no floor drain at Norm's Tire. Chairman Shaffer offered his opinion that every non-residential customer should be evaluated to see if a grit chamber is needed. The Operator and Inspector will evaluate Norm's Tire to see if a grit chamber is required.

Construction Phase Engineering Report See written report dated October 25, 2006

Mr. Lavine was not in attendance this evening.

Chairman Shaffer offered that the punch list for Doli is getting larger instead of smaller and questioned why some of the items were not caught during the inspection. He noted that there was still approximately \$200,000 being held in retainage.

A discussion was held on the three property owners who refused to allow Doli to install grinder pumps on their properties. Chairman Shaffer offered to talk to Don Lavine about having him find out from Doli what the installation cost would now be. Discussion was held on who would pay any extra cost, with the consensus being that that should be the responsibility of the property owner. It was also discussed that, while waiting for a response from Doli for the December meeting, Franklin will get several quotes from other installers. It was also discussed that, if the owner pays the \$2,650 tapping fee, the grinder pump would be included, although not necessarily the cost to install it.

PennVest Application for Payment – There was a Wright/Holman motion to approve PennVest Application for Payment No. 21 in the amount of \$6,611.51. Motion passed by unanimous vote of the Authority.

Engineer's Report See written report dated October 20, 2006

Krick Subdivision – Lee reported that the video of the damaged section of the High Street sewer line was viewed at the October 24, 2006 JOAC meeting. He stated that the Borough had received a quote of \$9,650 to repair the line and that the Authority's share of the cost would be \$1,254.50. The Engineer reported that he had also viewed the video and that the biggest limiting factor of capacity in that section was the crushed pipe. He offered his opinion that the \$9,650 quote given to the Borough was a relatively good price. He added that the Borough's assertion that the Authority owed 13% of the cost seemed to be in the ballpark and that it was not worth \$1,254.50 for the Authority to have him research the Intermunicipal Agreement (IA) to confirm that percentage. He continued that the prudent thing to do would be to repair the line.

Chairman Shaffer asked if there was any cost for the televising of the line. Lee replied that the Borough had forwarded an invoice in the amount of \$164.03 for the televising. At this time there was a Reidlinger/Holman motion to pay the Borough \$1,418.53 for the Authority's share of the repair of the damaged section of the High Street line and the televising of the High and Market Street lines. The Solicitor stated that if the 13% is based on the capacity the Authority has in that section of the High Street line, it is not the appropriate measure for the cost sharing. He stated that, according to the IA, the cost sharing is based on the Authority's share of the flow in that line. He agreed that the cost provided by the Borough was not high enough to warrant further calculations by the Engineer. He cautioned that, if the motion is approved, the transmittal letter to the Borough should include that cost sharing is based on actual flow and not capacity in the line, and that the Authority is not giving up any rights or setting a precedent with this payment.

Chairman Shaffer stated his understanding of the law that any cost over \$4,000 needed to be put out for bid. The Solicitor responded that he thought that bidding was required for any cost over \$10,000 and quotes could be solicited for amounts less than \$10,000. He added that the Borough has the burden to stay within the framework of the law and the Authority did not need to be concerned. The Solicitor then noted that the invoice for televising included both the High Street and Market Street lines. He again cautioned that the Authority should make it clear to the Borough that it is not conceding that a capacity calculation is appropriate. Chairman Shaffer agreed that televising was done in two jointly used lines and offered that he felt that the previously-mentioned transmittal letter would cover the repair and televising.

Chairman Shaffer then called for a vote to the motion. Motion passed by unanimous vote of the Authority. The Financial Accountant stated that she would prepare the check to the Borough the next day and that it would appear in the financial report at the December 6, 2006 meeting.

John Warden Subdivision Plan, File #2005-06 – The Engineer reported that there was no activity on this plan this month. Chairman Shaffer asked if a letter was sent to the developer reminding him of the Borough's request for establishment of an escrow account and also requesting replenishment of the Authority's escrow account. Irene replied that she had asked the developer to bring the Authority's escrow account up-to-date, but asked why she would tell them about the Borough's request. Chairman Shaffer reminded her that the Authority had sent the developer a letter several months previous, telling them of the need to establish an escrow account with the Borough to cover the costs associated with calculating line capacity. She agreed, and added that another letter was just sent.

Market Street Sewer Line – The Engineer reported that he had informed Kevin Jacobs, the Borough's engineer, that he had received authorization to work together to evaluate the Market Street sewer line problems and to collaborate on joint pursuit of grant funding. He relayed that Mr. Jacobs would need Borough approval to work with him before they could start which would be after November 27, 2006.

Chairman Shaffer noted that he had been absent at the October 4, 2006 Authority meeting and asked what the scope of their work would be. The Engineer offered his understanding that the two of them would decide what the problems were on the Market Street line, come up with cost-effective repairs, and calculate each entity's share of the cost. Lee added that they would also pursue joint application for grant funding.

The Engineer reported that Mr. Jacobs had relayed his understanding that the Borough would like the Market Street repair money being held in escrow by the Solicitor to be moved to an escrow account held by the Borough's solicitor. He offered that this issue might be a Borough contingency for the two engineers to meet. The Solicitor reported that, because of the decision to consolidate bank accounts, he has closed out the escrow account and forwarded the check for the proceeds to Irene. He stated that the IA makes no mention of escrow accounts being required. He suggested that the first step is for the engineers to reach an understanding of the scope and cost to each entity of the Market Street project. He stated that he has no problem, after that is done, of escrowing the money into a construction account. He added that it is completely irrelevant as to who holds the escrow money since there would be a written understanding governing disbursements from the account..

Petersburg Commons Water Meter Vault – The Engineer reported that he had notified G&R Charles, the contractor for construction of the water meter vault, on several occasions that the date for substantial completion was November 1, 2006. He relayed that the contractor said he was aware of the completion date but was at the mercy of Monarch, the builder of the vault. The Engineer stated that he was notified earlier in the day that delivery of the vault will be on or before December 5, 2006.

The Solicitor offered that the contractor is in violation of his agreement with the Authority at this point. He noted that the Authority has no control whether or not another party violates an agreement, although it does have remedies. He stated that it makes no sense to cancel the agreement and find another contractor, and suggested that the Authority work with the December 5th date. Chairman Shaffer offered that the Authority should take two actions. First, it should put the contractor on notice of violation of the agreement, with a copy of the letter to the Borough. Second, it should notify the Borough of the December 5th delivery date. The Solicitor offered that the letter could be sent by the Engineer.

A question arose concerning notification to the PUC. The Solicitor offered that the only deadline imposed by the PUC was January 17, 2007 for installation of the water meter by the Borough. He added that he was unsure of PUC's interest in the vault delivery date. John Myers offered his opinion that the PUC had approved the agreement between the Authority and Borough that mentions November 1, 2006 as the deadline for installation of the meter vault. He stated that the Borough had a copy of that PUC approval, with the Solicitor stating that he did not remember seeing the document. The Solicitor added that, if the PUC had approved the agreement, it would be appropriate to provide the PUC with a status notification. He asked Irene to see if there was a copy of the PUC approval letter in the Authority's file.

At this time, there was a Reidlinger/Holman motion to authorize the Engineer to send a letter to the contractor, putting him on notice of violation of the agreement, with a copy to the PUC and the Borough. Motion passed by unanimous vote of the Authority. The Solicitor will provide input for the letter to the Engineer.

The Engineer reported that he had received a copy of the DEP Minor Permit amendment on October 5, 2006 for construction of the meter vault. He added that DEP would like him to notify them upon completion of the construction. After further discussion, it was the consensus that the Inspector should perform the inspections of the meter vault installation. Irene will notify the Inspector.

Business Campus One (BCO) – Chairman Shaffer asked if anyone had reviewed the reproducible as-builts for BCO. Irene replied that the Inspector had reviewed them. Chairman Shaffer asked Irene to have the Inspector report back if the as-builts were satisfactory.

Solicitor's Report See written report dated October 27, 2006.

The Solicitor reported that he now has the signed agreement with Petersburg Commons, Inc. regarding the ROW and supply of water and sewer service. At this time, there was a Reidlinger/Graybill motion to approve and authorize the appropriate officers to execute the ROW and water and sewer supply agreement dated October 10, 2006, as well as the grant of ROW for water and sewage facilities attached to the agreement. Motion passed by unanimous vote of the Authority.

BCO Maintenance Security – The Solicitor reported that he had received a letter from William Bunt, solicitor for Perry County Economic Development Corporation (PCEDC) regarding a maintenance bond for BCO. He stated that the cost of the sewer facilities was \$184,400 and that Mr. Bunt has proposed that PCEDC put aside 10%, or \$18,440, in an irrevocable letter of credit for an eighteen-month period. He then asked for the beginning date for the bond. After discussion, it was the consensus that, because the deed of dedication might be accepted at the December 6, 2006 meeting, the eighteen-month maintenance security should have a beginning date of December 1, 2006.

Roth Bankruptcy, Schoolhouse Road

The Solicitor reported that the Roth property was bought back by the bank at the October 20, 2006 Sheriff's sale, and that future bills are to be sent to them. Irene reported that she had received the new contact information.

1st National Bank of Marysville (Marysville) Line of Credit (LOC) – Henry referred to a letter from the Solicitor to Chairman Shaffer dated October 17, 2006 regarding the Marysville LOC. He asked why the Solicitor had been discussing the LOC with Marysville representatives. Franklin responded that Marysville had requested that the Solicitor contact them, with the Solicitor adding that it concerned the approval process for the LOC.

Billing Clerk's Report

Audit of Non-Residential Customers –Billing Clerk Susan Long presented the quarterly audit of water usage of the non-residential customers. Lee asked if the audit included the additional EDUs that several of the customers were previously requested to purchase due to their excessive water usage. Susan replied that it did not because she did not know if the letters requesting those purchases had been sent. Irene responded that she thought the letters had been sent, but had received no responses to them. Several members did not remember having seen a copy of the letters and Irene was requested to place a copy in the mailboxes. Chairman Shaffer also requested that this be an agenda item at the December 6, 2006 meeting.

Panera Car Sales, 1618 State Road – Susan explained that, as instructed at the previous meeting, the Inspector and Franklin measured the distance from this property to the nearest connection point and found it to be seventy feet. She added that, in the meantime, the Township Secretary talked to staff at Panera Car Sales who informed her that there was no running water in the building.

Phase One, Two, and Three Connection Status - Susan provided an updated spreadsheet containing information as to which property owners have obtained the necessary permits, made the connection to the sewer line, or have requested extensions.

Financial Accountant Report See written report dated October 31, 2006

Access to Financial Accounts –Financial Accountant Susan Long requested authorization for access to any of the accounts at the Authority's financial institutions for the purpose of obtaining balances and transferring funds. After discussion, there was a Holman/Reidlinger motion to authorize Susan Long to access financial accounts for the purpose of obtaining balances and transferring funds. Motion passed by unanimous vote of the Authority.

Automatic Payment of Bills – Susan requested authorization to have payments for the bills from Embarq and PPL automatically withdrawn from the Authority's checking account at Marysville. She noted that the expenses would appear on the monthly list of bills to be paid as an ACH deduction. After discussion, there was a Wright/Reidlinger motion to authorize automatic payment of bills from Embarq and PPL through ACH deductions. Motion passed by unanimous vote of the Authority.

Electronic Transmission of Payroll Taxes – Susan asked for authorization to electronically remit FICA, Medicare, and federal income taxes each quarter through ACH deductions from the checking account at Marysville. She stated that this authorization would also allow her to transmit W-2s and 1099s to the IRS and Social Security Administration. Motion passed by unanimous vote of the Authority.

Invoices and Expenditures – There was a Reidlinger/Holman motion to approve payment of the bills itemized on the accounts payable list totaling \$42,933.03 drawn on the 1st National Bank of Marysville and \$2,120.00 on the 1st National Bank of Newport. Motion passed by unanimous vote of the Authority.

Approval of the Financial Accountant Report – Susan noted that, in addition to reporting the activity in each bank account each month, she would like to include a listing of outstanding debts. Lee suggested that the amount of revenue received each month also be included on the report. Susan stated that she would include his suggestion on the next report. After discussion, there was a Wright/Holman motion to approve the Financial Accountant report, subject to audit. Motion passed by unanimous vote of the Authority.

Motion to Extend Meeting

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

Treasurer Report

Irene presented an update of the transferral of accounts from Newport to Marysville. She noted that the PNC Bank account was closed out with \$118,098.96 used to pay off the LOC at Marysville and the remaining \$91,165.64 deposited into the Marysville checking account. She reported that the remainder of the Newport accounts, approximately \$13,986.52, would be closed out in the near future and transferred to Marysville, along with the Sovereign Bank escrow account proceeds given to her by the Solicitor.

Incoming Correspondence

A list of all incoming correspondence can be found on the November 2006 agenda. The following correspondence was discussed.

Reager & Adler Letter Dated October 18, 2006 – Irene stated that she had a problem with this letter in that the letter demanded that the Authority construct the water meter vault by November 1, 2006.

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

Non-Compliance of Phase One Notices to Connect – The Solicitor reported that, as requested at the previous meeting, he had sent certified and regular letters to the four property owners in phase one who had not responded to the Township regarding the Notice to Connect they had received. He stated that, in his letter, he gave them fifteen days to respond to the Township. He noted that delivery was refused on the certified letter to Sam Smith and asked if any of the remaining three owners had responded to the Township. Susan replied that no responses had been received. Irene asked the Solicitor to provide a copy of his letter for Authority files.

The Solicitor asked if he should start the process of assessing fines on these four property owners. Franklin responded in the negative. Irene offered that the owners who have not responded, with one exception, in all probability can not pay the fine. She reported that Donald Bucher, 1447 State Road, had just contacted the Authority about setting up installment payments for his tapping fee and has received his connection permit. Franklin reported that he thought it was uncertain as to whether Tammy Hammaker was the legal owner of the property at 212 Schoolhouse Road. The Solicitor clarified that the fine does not have to be \$1,000 and that he can explain to the District Judge that the Authority is interested in obtaining connections, not large fines.

Franklin offered that fines will not solve the problem. He volunteered to talk to the four owners before any legal action is taken. The Solicitor suggested that Franklin explain to the owners the following possible consequences of non-compliance. Fines up to \$1,000 per day could be levied. The Authority could enter the property, make the physical connection to the sewer system, and file a municipal lien against the property for the cost of installation. If the lien is not paid in an acceptable length of time, the property could be sold. It was stressed that Franklin should make the owners aware of the installment plan for payment of the tapping fee. After discussion, it was the consensus to have another meeting on November 13, 2006 at 6:00 p.m. to further discuss what action to take. The Solicitor will be available for phone consultation at that time.

Merle Lauck Property – Irene reminded the Authority that Mr Lauck had requested a 3-year extension to connect his property to the sanitary sewer while he made improvements to it. She said that the Authority had granted him a 60-day extension the previous month and had referred his letter to the PTS. She continued that the PTS decided to take no action on his request until the 180-day total time extension had expired. Franklin offered that he was unsure if the property had running water available. Irene questioned why Mr. Lauck had a grinder pump installed on the property when he knew it would take three years to be connected. Franklin stated that declining a grinder pump was not an option for anyone who had a house on their property. He explained that grinder pumps were installed on every property with a house and added that he was in the same position with one of his properties in that it has no water and has a problem with mold. He offered that there is nothing in the grinder pump contract with the Authority that says he has to connect. Chairman Shaffer clarified that the Township ordinance states that properties within 150 feet of a

sewer line must connect. Franklin offered that running water must be available on the property, with Chairman Shaffer agreeing. Franklin then stated that he had to pay the tapping fee for one of his properties that was 250 feet from the main and that he understood where the other property owners were coming from.

Supervisor Holman asked if Mr. Lauck has received reimbursement for his grinder pump ROW and offered that acceptance of that reimbursement was in essence an agreement to connect. Henry reported that Mr. Lauck had received \$1,400 for permanent and construction ROWs. After discussion, it was the consensus that Franklin would talk to Mr. Lauck about his plans for his property.

New Business

Letters For Request of Time Extension – Letters requesting extensions of the deadline for connecting properties to the sewer system were reviewed. After discussion, there was a Wright/Holman motion to grant all requests a 60-day extension. Motion passed by unanimous vote of the Authority.

2007 Budget – Lee announced that the Budget Committee, comprised of Susan, Sam, Ed and himself had met to work on the 2007 budget. He stated that Henry had expressed interest in joining the committee. Immediately, there was a Reidlinger/Wright motion to appoint Henry to the Budget Committee. Motion passed by unanimous vote of the Authority. Chairman Shaffer requested that a preliminary copy of the budget be presented in advance of the November 13, 2006 meeting.

Petersburg Commons Water Meter Vault – Henry stated that he is tracking the costs to construct the meter vault and that he is still waiting to receive the costs for excavation of the test probe.

JOAC Meeting

Lee reported that the JOAC meeting was held on October 24, 2006 and that the following topics were discussed.

Krick Subdivision – Lee noted that this had been discussed earlier in this evening's meeting.

Market Street Line – Lee reported that the Borough stated that the \$22,000 currently held in escrow by the Solicitor would need to be transferred to their solicitor before any work can begin. Chairman Shaffer asked what difference it makes. The Solicitor added to his earlier comments by recommending that the Authority follow the IA, which mentions nothing about escrow accounts. Supervisor Holman noted that there is mistrust of the Authority by the Borough because of conflicting Authority statements. He explained that, at one meeting the Authority stated that the money in escrow is to be used for Market Street line repairs, and at another meeting the Authority stated that the money in escrow could be used for whatever purpose it deemed necessary.

Chairman Shaffer agreed that there is no provision in the IA for an escrow account and offered his opinion that the Borough should be satisfied that the Authority has set aside the \$22,000. The Solicitor explained that simply having an escrow account does not mean anything, that an agreement must be reached that governs how the disbursements occur, and that it is premature to be discussing escrow accounts at this time. He suggested that, once an agreement is reached on method and cost of the project, both sides could fund a joint construction account. The Solicitor stated that the money was originally put aside so that it would be available if the Authority owes it. He said that the Authority needs to be shown what needs to be done, why it needs to pay 21.9%, and that it is not an I&I project, after which the Borough can be told that the Authority is ready to put any money it owes into a construction account. He continued that the Authority spent a lot of money getting an IA and stressed that the Authority should follow it. He offered that the Borough violated the IA in every possible way on Water Street, which is why the Authority is now in arbitration. He explained that the Authority is duty-bound to spend money in a responsible

manner and is duty-bound not to spend money it does not owe. He urged the Authority to follow the IA and cautioned that, if it spends money it does not owe, the members will be sued and have personal responsibility. He concluded by saying that it is his job to protect the Authority and that he has been trying to do that for the past 2 ½ years.

Lee asked how he should respond to the Borough at the next JOAC meeting. He was requested to inform the Borough that the Engineer was authorized to work with the Borough's engineer and ask them to do likewise. When the two engineers agree with the scope and cost allocation of the project, the Authority will fund a construction account.

Lee noted that a discussion had been held on replacing the current Market Street line with a larger line. The Solicitor offered that the Authority should consider doing that and suggested that the members might want to have the Engineer discuss it with the Borough's engineer.

Capacity Transfer – Lee reported that, according to Borough, the Authority would need to put money into an escrow account with the Borough to cover their engineer's fees to study the transfer of capacity. The Solicitor stated that he thought this was the correct procedure. He said that the first step would be for the engineers to determine what capacity the Authority now has in each line and how much is actually being used. He added that he felt this should be done as soon as possible because of interest shown by developers in properties that would transmit to Borough lines. After discussion, it was the consensus that Chairman Shaffer would contact the Engineer and authorize him to broaden his scope of discussion with the Borough's engineer to include discussion of the amount of capacity available to the Authority in each line and the amount actually being used.

Lee relayed that the Borough had received a letter from the Windsor Corporation asking how much capacity was available for the property owned by the Catholic Diocese on Hoffman Road. He was requested to ask for a copy of the letter that the Borough received, so that the Authority could contact Windsor Corporation and ask what its intentions were for the property.

Clark Street Wastewater Flowmeter – Lee reported that the Borough asked if this meter has been fixed and that he had replied he thought the problem had been corrected. Chairman Shaffer offered that it is hard to maintain accuracy of meters in low-flow conditions such as occurs at Clark Street.

DEP Mailers – Lee reported that the Borough is concerned that the DEP mailer for Petersburg Commons may not be current because it was filed at the beginning of 1994. He relayed their understanding that the DEP mailer states that the project will not create over-load conditions for five years, which ended seven years ago. Chairman Shaffer explained that the DEP mailer is filed at the beginning of a project and offered his opinion that it has nothing to do with a 5-year projection. He stated that it is the annual Chapter 94 report that projects conditions for a 5-year period.

Chairman Shaffer urged Lee to read and re-read the IA. He then requested that Lee discuss the following items at the next JOAC meeting. The Authority purchased 32.43% of capacity at the Borough WWTP when it was constructed. Has the WWTP been re-rated, and if so, what is the new % of capacity? Lee was then asked to find out why the Borough was not billing the Authority in accordance with the IA for the O&M charges and to satisfy himself that the Authority is being billed properly.

Adjournment

With all business completed, a Reidlinger/Holman motion for adjournment was made at 11:46 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary