

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

March 7, 2007

The Penn Township Municipal Authority (Authority) met on Wednesday, March 7, 2007 in the Penn Township Municipal Building. Chairman Henry Holman, III called the meeting to order at 7:15 p.m. He then led the group in the recitation of the *Pledge of Allegiance* and a moment of silence and announced that the meeting was being recorded to aid in the preparation of the minutes.

Authority members present:

Henry Holman, III, Chairman

Elmer Knaub, Secretary

Irene Graybill, Executive Secretary, Assistant Secretary, and 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

Sam Auxt, Inspector

Susan Long, Billing Clerk, Treasurer, and Recording Secretary

Visitors present:

Steve Read, Advantage Engineering

John Myers, Duncannon Borough Council

Mike Wolfersberger

Executive Session

The Solicitor noted that an executive session had been held prior to this meeting at 6:30 p.m. to discuss litigation issues.

Minutes

After discussion, and upon a Knaub/Graybill motion, the Authority voted unanimously to approve the February 15, 2007 minutes as presented.

Visitors

Steve Read, Advantage Engineering

Mr. Read stated that he had been retained by Yingst Homes to provide hydro-geological services in relation to the Warden property. He said the assumption has been that the developer would construct a well on the Warden property to supply the water for a proposed development, after which the water facilities would be turned over to the Authority. However, upon initial review, it appears that Well No. 2 of the Sunshine Hill water system might have substantial capacity to service the development. He said that the average use from that well is currently between 10,000-15,000 gpd. The proposed 190 homes would use another 45,000 gpd, with the total usage well below the DEP listed safe yield of 144,000 gpd.

The Solicitor stated that information previously given to the Authority only projected 120 homes for the development. Chairman Holman stated that was a source of the confusion when the Duncannon Borough's (Borough) Chapter 94 Report noted a projected 192 homes. Elmer stated that there was concern that the information in the

Chapter 94 Report could later be used by the developer against the Authority. The Engineer replied that the Chapter 94 Report is just a projection and does not guarantee capacity to the developer.

Mr. Read then presented a written proposal to test Well No. 2 to confirm its safe yield and described the procedures that would be followed. After the presentation, the Engineer reported that he showed the proposal to his firm's water specialist, who said that DEP would need to approve it before testing could begin. He noted that there was some danger to an old well with the testing procedure, with Elmer noting that there are a number of private wells in the area that could also be impacted, along with the fact that this is the only operating well for the water system. Discussion followed on ways to mitigate problems that might arise during the testing procedure. The Solicitor suggested that the Authority might want to enter into an agreement of indemnification if it approved the proposal.

Chairman Holman told Mr. Read that the Authority would review his proposal and discuss it at a meeting tentatively scheduled for March 21, 2007.

Mike Wolfersberger

Mr. Wolfersberger explained that he has been doing the electrical connections for some of the residents involved in the Lower Cove/Perdix sewer project. He stated that the weather has been a deterrent to completing connections, noting that he had started work on all of the Larry Miller properties but had not been able to finish them. Irene pointed out that Mr. Miller had not picked up any of his connection permits and told Mr. Wolfersberger that he should not be doing any work on those properties until the permits were obtained. Mr. Wolfersberger stated that he was not aware that the permits had not been obtained. For his future use, he was told to check for yellow permit cards displayed on windows before he began his work.

Mr. Wolfersberger then reported that the post holding the control panel on the Janet Kehr property is still leaning, as he had reported at a previous meeting, and the electrical conduit is still not strapped correctly. He stated that he had provided the UCC electrical code requirements to Lee, who was not at this evening's meeting. Mr. Wolfersberger stated that he can not complete the electrical connection until the problem is resolved. He also relayed that Mrs. Kehr is concerned because her deadline for connection has passed.

The Inspector reported that the post is definitely loose. He noted that the sewer project is essentially complete and the contractor is now off-site. He asked if Mr. Wolfersberger could be requested to submit a quote to perform the work. Mr. Wolfersberger stated that Doli, the contractor, is legally responsible for installing the conduit as per NEC Code. Chairman Holman stated that he would talk to Lee about the Kehr property. He added that the contractor would be returning to finish restoration items and could address these issues at that time. He asked Irene to compile a list of restoration items that needed to be completed by the contractor.

Plant Operator's Report See March 2007 Operator's Report

DMRs – (see written Discharge Monitoring Reports dated January 2007). The DMRs were reviewed with the note that the average influent BOD level for the Cove Wastewater Treatment Plant (WWTP) was 270 mg/l, slightly above the design threshold of 240 mg/l. The Operator noted that the monthly average for total suspended solids was 32, above the permitted level of 30. He said that, because the deviation was so slight, there was little that could be done. He said that he is not concerned because it is not a usual problem, and offered that the WWTP is still acclimating to the additional flow from the new Perdix customers. The Operator extended an invitation that Authority members contact him at any time with questions.

The Operator's written report was reviewed, with the following additional comments.

Sunshine Hill/Petersburg Commons Water System – The Operator stated his concern that, if Yingst Homes were to construct a well on the Warden property in the same aquifer as the Authority's well to supply water for the development, it might impact the water supply for Well No. 2. Elmer stated that DEP would require Yingst Homes to monitor surrounding wells. The Engineer stated that DEP would require the developer to remedy any problems that would arise as a result of the new well.

The Operator requested that, if the testing procedure was approved for Well No. 2, it be done at the rate the well would be used to service the 192 additional homes. He also recommended that the turbidity be monitored every thirty minutes.

Elmer stated that, if Well No. 2 were re-rated, it would need a new permit. He agreed to contact DEP to obtain current permit information for the well. The Operator stated that, at the withdrawal rate needed by the developer, the well might not need to be re-rated,.

The Engineer asked why the Authority should risk its only well. He offered his thought that it would not be unreasonable for the Authority to request an additional well and a standpipe from the developer.

Elmer asked how much water is being lost per day due to leaks. The Operator replied the difference between the gallons being billed for and the output recorded by the master meter is 2,500 gpd. He added that the difference has been constant for years. He offered that he does not attribute this difference to a leak, but possibly un-metered taps, defective water meters or an inaccurate master meter. He stated that approximately 12,500 gpd flows through the master meter.

Elmer asked how many of the water lines need to be replaced. The Operator responded that they are all old and should be replaced, but the line in need of immediate attention is the line from the Shatto property to the Jones property.

Community Development Block Grant (CDBG) Application – Elmer reported that he took the income surveys to Omar Syed, who will review them and then forward them to the Perry County Commissioners.

Cove WWTP – The Operator reported that he had reviewed the information for the Chapter 94 Report for the Cove WWTP compiled by William Hill Associates and found it to be satisfactory. He stated the report needs to be approved, and the two signature pages need to be signed and sent back to William Hill. Mr. Hill will add the signature pages and necessary maps to the report and forward it to DEP. He said that Mr. Hill was requested to provide additional copies of the maps to the Authority for its use.

Chairman Holman noted that, in actuality, the new Perdix sewer connections are higher than what was projected in the report.

After discussion, there was a Graybill/Knaub motion to approve the Chapter 94 Report for the Cove WWTP. Motion passed by unanimous vote of the Authority. Irene stated that she would mail the necessary information to Mr. Hill the next day.

Grinder Pump Emergency Repair – The Operator reported that he has been receiving quotes for providing emergency grinder pump repair. He stated that Site Specific, the grinder pump manufacturer would need 24-hour notice during the warranty period, which would not be acceptable in an emergency situation. He said that one firm quoted a rate of \$750 per changeout and \$1,500 for holidays. He also received a quote from an individual at an hourly rate of \$45 during normal work hours. He added that the prices should double to include a second person to help with the work. He will provide a complete list of quotes as soon as they are all received.

1305 State Road – The Operator reported that the Inspector and he had changed out a grinder pump at 1305 State Road. He said that Doli came to the site to inspect the check valve, and while there, had to excavate in the area of the grinder pump. He stated that Doli did as much restoration as it could at the time, and asked that the Authority include that restoration along with the other restoration that needs to be done. Irene will contact Don Lavine to see what other restoration is needed.

Kinkora WWTP – The Operator reported that the Kinkora Nursing Home will be expanding with Chairman Holman noting that the Authority has received the plans for the expansion. Irene noted that Kinkora has not replenished the escrow account needed for plan review. The Operator noted that Kinkora built the WWTP three times the size it needed it to be at the Authority's request and then turned it over to the Authority and suggested the Authority consider its position on the imposition of tapping fees for this expansion. The Solicitor will research the developer's agreement between the Authority and Kinkora to see if it addresses the issue of tapping fees. He will provide copies of the agreement to the members.

Inspector's Report See Inspector's Report for February 2007
The Inspector's written report was reviewed, with the following additional comments.

Master Meter Report – The Master Meter reports were reviewed with the note that the totalizer for the Lower Duncannon flowmeter failed sometime during the past week and that the Inspector and the Borough representative agreed to use the previous weeks reading to obtain their flow results.

Grinder Pump Installation Quotes – The Inspector stated that the only quote he has received for installation of grinder pumps at the Nguyen, Hockenberry, Brumbach, and Johnson properties was from Mike Diller. He stated that he expected to receive one additional quote from Brad DiPaolo for all of the properties except the Johnson property at 1129 State Road. The Solicitor stated that he is trying to obtain a new right-of-way from US Bank, who purchased the Johnson property through foreclosure.

The Inspector stated that installation of the Johnson grinder pump was delayed through no fault of the property owner, but that the remaining three were not installed because the property owners did not allow Doli on their properties. He offered his opinion that those property owners should be financially responsible for the installation of the grinder pumps, since PennVest can not reimburse the costs. Irene stated that she agreed that the costs should be borne by the property owners. She said that Mr. Brumbach has filed a complaint about the damage done to his property by the contractor and asked how she should respond to him, since he did not allow the contractor onto the property. Chairman Holman said he would like to delay action on these issues until the next meeting.

Greg Miller Property - The Inspector reported that Mr. Miller contacted the office to inform Irene that he was selling his property and to find out the number of connections required for his home and apartment building. The Inspector noted that Mr. Miller had paid only one tapping fee and explained that there is a duplex grinder pump (DPG) servicing both a house and a two-unit apartment building. He presented a list of other properties included in the sewer project with DPGs that might be servicing several units where only one tapping fee was paid. He referred to Section 6.30.E.3 of the Rules and Regulations (R&R) that each dwelling unit is considered to be a separate sewer connection.

After discussion, there was a Graybill/Knaub motion that, if additional tapping fees are needed because of multiple dwellings on a property, they will be charged at the same rate as the initial tapping fee. Tapping fees needed as a result of future development will be charged at the rate of then current tapping fee. Motion passed by unanimous vote of the Authority. It was not decided who would determine how many additional tapping fees the property owners on the list would have to purchase.

Petersburg Commons Curb Boxes – The Inspector reported that he has noticed that tops of curb boxes in Petersburg Commons have been knocked off by property owners who were removing snow from their driveways. He will provide a list of the properties involved and Irene will send a letter to the owners informing them that they will have to pay the cost of repair.

Cove Centre – The Inspector reported that the riser on the new grease trap at Cove Centre was incorrectly sealed, resulting in a backup of sewage into the complex. He stated that the system was pumped down and the riser was grouted by the installer. He will monitor the situation for further leakage.

Cove Centre Deed of Dedication – The Inspector reported that the owner of Cove Centre relayed to him that the Authority is in possession of all documents necessary for the sewer facilities to be dedicated to the Authority. The Solicitor will check to see what information he has on file.

Petersburg Commons Water Meter Vault – The Inspector reported that, to the best of his knowledge, all items on the punch list have been completed with the exception of the final landscaping restoration and the door drains. He stated that there is about ½" water in the bottom of the sump hole but did not know if it entered the vault before the new door was installed or was a result of condensate.

The Inspector reported that he had been told the Authority needs to provide an engineering certification letter to the Borough stating that the vault has been installed properly. The Solicitor confirmed that engineering certification, stating that the vault has been completed according to the PUC and Borough requirements, is needed.

John Myers stated that the Authority is to certify that the vault construction has met the PUC requirements and Borough standards, when in fact it does not meet Borough standards. He added that this does not necessarily mean

the Borough will not accept the vault. He said that the installation had earlier been stamped and approved with no exceptions, but the Authority did not contact the Borough for approval to make the changes it made. He asked how the Engineer could now certify that it meets the Borough's standards when it doesn't. The Solicitor responded that the Engineer would not be asked to, nor could he, certify something that is incorrect, but that it could be certified "with exceptions". Mr. Myers asked why the exceptions weren't brought before the Borough before the drawings were certified for the contractor. He cited as one exception the fact that the hatch door has been relocated. Chairman Holman asked the Engineer to review the shop drawings for discussion at the next meeting.

Mr. Myers suggested that the Authority contact the Borough, inform it of the differences between the shop drawings and actual construction, and ask if it will still except the meter vault. Chairman Holman offered that the Authority could then address any issues that need to be corrected. Mr. Myers also said that the Borough needs a copy of the minor permit amendment for construction from DEP.

The Solicitor asked if the variations have a significant impact on the functionality of the meter vault. The Inspector replied that the change in location of the hatch door will make it more difficult for the Borough to get the meter through the hatch into the vault, or remove it if it ever becomes necessary.

Chairman Holman requested that the Engineer prepare a draft certification with exceptions for review at the March 21st meeting.

Payment of Rental Fees after Receipt of Connection Notice – The Inspector referred to a letter from the Penn Township Supervisors (PTS) recommending that the Authority impose rental fees on residents who delay the connection process after receiving a notice to connect. He noted that the only reference in the R&R to charges that can be imposed before a connection is made is in Section 6.20, but that refers to reservation of capacity.

The Solicitor stated that Commonwealth Court has ruled that an authority may charge sewer rental in cases where residents fail to comply with connection notices. He offered his opinion that it did not need to be included in the R&R but felt that it should be. The Solicitor will draft language for inclusion in the R&R. The Inspector relayed his interpretation of the PTS's recommendation as being intended only for residents who have exhausted their time extensions.

After discussion, it was the consensus that Irene would send a letter to property owners in phase one who have not connected to the sanitary sewer, informing them that not being connected will not relieve them of their responsibility, and that they will receive a monthly sewer rental bill starting in April. She will include in the letter that the PennVest loan requires all avenues of revenue be pursued.

The Solicitor noted that the Authority would eventually have to take the next step of deciding what to do with property owners who refuse to connect and either file citations for ordinance violation or have the township make the physical connection.

Engineer's Report See Engineer's Report dated March 1, 2007

Warden Property – The Engineer reported that he is waiting for a plan re-submission.

Preserve at Mountainside East and West – The Engineer reported that he had very few comments on these two plans because the information about sewer and water transmittal lines was minimal. He cited one plan as stating simply that the development would connect to the existing water and sewer facilities on Schoolhouse Road. He reported that his comment back would be that there are no water facilities on Schoolhouse Road and there is not adequate capacity in the sewage collection facilities. He said that the developer's engineer informed him that the information contained on the plan about sewage and water facilities is all the information that is required by Penn Township for a preliminary plan. He offered his concern over that statement, saying that in some municipalities, developers can build from approved preliminary plans. A discussion was held on whether he should forward his comments to the planning commission or to the developer. The Solicitor will research the protocol for forwarding of the Engineer's comments.

Borough's Chapter 94 Report - Chairman Holman stated that the Authority was under the impression that there were 120 projected dwellings for the Warden property, but that the Engineer projected 192 in the information provided to the Borough for its Chapter 94 Report. The Engineer pointed out that the current plans in his possession called for 192 homes. He stated that his projection for 50 new EDUs in 2008 might have been high, but he preferred to project higher, rather than lower.

Motion to Extend Meeting – At 10:00 p.m. there was a Holman/Knaub motion to extend the meeting to allow for the completion of business. Motion passed by unanimous vote of the Authority.

Solicitor's Report See Solicitor's Report for February 2007

The Solicitor stated that the Authority needed to accept the Deed of Dedication for Business Campus One. He noted that the letter of credit for the maintenance bond has already been established. After discussion, there was a Graybill/Knaub motion to accept the Deed of Dedication for the sewer facilities for Business Campus One. Motion passed by unanimous vote of the Authority. The Solicitor will contact William Bunt, counsel for the developer.

Billing Clerk's Report

Delinquent Accounts – Susan presented a list of accounts delinquent as of February 28, 2007. She noted that the list has been reduced since January 31, 2007, due to the letters Irene sent to the ratepayers. Irene updated the list as to who has made payments since February 28th. She stated that she will turn in for collection those who have not made payment.

Update of Sewer Connections for the Lower Cove/Perdix Sewer Project – Susan reported that the township office had just received inspection reports from Glace Associates for three properties that had been connected in September of 2006 and one that had been connected in October 2006. She noted that six months sewer charges have accrued and recommended that the owners be back-billed to January 2007. After discussion, it was the consensus to bill these customers for January and February 2007. The Solicitor offered that no motion was necessary, but that mention should be made of this in tonight's minutes.

Treasurer's Report

Invoices and Expenditures – After discussion, there was a Graybill/Knaub motion to approve payment of the February 2007 invoices totaling \$20,347.50. Motion passed by unanimous vote of the Authority.

Approval of the Financial Report – After discussion, there was a Holman/Knaub motion to approve the Financial Report for the period February 1 through February 28, 2007, subject to audit. Motion passed by unanimous vote of the Authority.

Inactive Escrow Accounts – Susan presented a list of inactive escrow accounts and asked for direction on whether they should be refunded to the developer. Irene noted that this issue had been discussed in the past and, unless a plan had been approved or withdrawn, the developer could still incur charges and the escrow account should be retained. The Solicitor offered that, if it can be determined that the plans are closed and the Authority has received all necessary documents from the developers, he felt there was no reason to retain the money. Susan is going to contact the township office to find out the status of these plans and report her findings at the next meeting.

Incoming Correspondence

A list of all incoming correspondence can be found on the March 7, 2007 agenda. The correspondence was reviewed with the following correspondence discussed.

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

Leaking Air Relief Valves – Discussion was held on a letter dated February 9, 2007 from HRG stating what information they would need to review the issue of the defective air relief valves. Irene noted that it would cost thousands of dollars to produce the information that HRG was requesting. The Engineer stated that, in his experience, the vast majority of air relief valves are turned off after a system is started because they spatter and leak, and the systems continue to work with no trouble. He suggested that the valves be kept shut off. The Inspector asked if

Engineer knows of any damaged caused by having the valves turned off, with the Engineer replying that he knows of none. The Solicitor offered that it appeared the Authority would meet with a lot of resistance from HRG to resolve this issues and would accumulate the time and expense of legal fees to have the issue resolved. The Engineer offered that, while this issue was unpleasant to ignore, the Authority would be best served by not incurring further expenses. After discussion, it was the consensus to take no action against HRG, the engineering firm that included the valves in the construction drawings for the sewer project.

New Business

PennVest Reimbursement – After discussion, there was a Graybill/Knaub motion for approval of PennVest Reimbursement Request No. 25, in the amount of \$5,207.37. Motion passed by unanimous vote of the Authority.

Letters Requesting Purchase of Additional EDUs – Irene reported that, as a result of the quarterly audit of water usage of non-residential customers presented at the February meeting, she was to write letters to three of the customers informing them of their need to purchase additional EDUs for capacity. Susan noted that the monthly meter reading of the Cove Centre taken since that meeting indicated a water usage decrease of 10,000 gallons from the previous month.

Irene noted that the owner of Mutzabaugh's Market constructed the sewer line from the store to the intersection of Main Street, paid for several owners on Pee Wee Lane to connect, and paid for the ROWs across their properties. She added that, while his water usage is high, those things should be taken into account when deciding whether to bill him for his excess water usage. She then asked what rate the additional EDUs should be charged at and was told to use the current rate of \$3,500.

The Inspector explained that currently, when a developer constructs sewage facilities, he receives a developer's refund for connections made by adjoining properties onto those lines. Mr. Mutzabaugh was the first developer in the Authority's dealings to extend the system and did not receive that refund. The Inspector said that he could account for 25 connections for which Mr. Mutzabaugh could have received a reimbursement and did not, in addition to the ones that could be received in the future from Business Campus One. He urged that it was not to late to make amends and suggested that the Authority refund Mr. Mutzabaugh for 25 connections by subtracting \$25,000 from the amount owed for additional capacity.

The Engineer asked if the Authority automatically pays \$1,000 per connection, stating that the developer typically performs a capacity evaluation and approaches the authority for a refund. He stated that he has never seen an authority go back beyond ten years and offer a refund to a developer. The Solicitor explained that the \$1,000 amount was a result of a negotiation between Susquenita School District and the Authority. The Solicitor offered that he did not feel it would set a precedent if a refund was offered to Mr. Mutzabaugh. He said he thought it would be prudent to review the agreement with Mr. Mutzabaugh to see if the issue was addressed or waived by the developer.

Chairman Holman offered his opinion that he did not want to make a decision about Mr. Mutzabaugh until a full complement of the Authority was in attendance and asked that it be discussed at the next meeting.

Irene stated that the amount of excess water usage by Cove Centre was more than one EDU but less than two EDUs and asked what amount it should be charged. The Solicitor noted that water usage was audited every quarter. Chairman Holman suggested that Cove Centre be billed for one additional EDU, with additional billings made when warranted in the future.

Discussion was then held on the excessive usage by Sheetz Car Wash. It was noted that Sheetz purchased only one EDU when it was constructed, on the basis that it used recycled water, but has used fifteen EDUs in excess of that amount. After discussion, there was a Holman/Knaub motion to charge Cove Centre \$3,500 for one additional EDU of capacity and Sheetz Car Wash \$52,500 for fifteen additional EDUs. Motion passed by unanimous vote of the Authority.

Phase Two and Three Non-Compliance – Letters from the PTS listing residents in phase two and phase three who have not responded to any contact from the township regarding their notices to connect were reviewed. It was noted that, before his resignation, Franklin had volunteered to contact the residents on the phase one list and urge them to contact the township with their schedule for connection. It was not known if this had been done. After discussion, it was the consensus for the Solicitor to send certified letters to the residents of phases two and three, informing them of the necessity to comply with the township's connection ordinance.

Sale of Fax Machine – After discussion, there was a Knaub/Graybill motion to sell the Authority's old fax machine to Ed Chism in the amount of \$50.00. Motion passed by unanimous vote of the Authority.

Medical Building for Business Campus One – Irene reported that she had received a call requesting the number of tapping fees needed for a medical building that might be constructed at Business Campus One. The Solicitor stated that normally the developer predicted the amount of flow that the business would generate, and the tapping fee was based on that amount. He suggested that the Engineer should provide input on the amount of EDUs needed to be purchased. He also noted that, since a sewer extension is not involved, there would not need to be an escrow account established, and the Authority would absorb any fees incurred by the Engineer. Chairman Holman noted that the Authority already knows the location of the connection. The Engineer noted that there was only one lateral from the building and pointed out that, if there are separate businesses in the building, the Authority does not allow sharing of laterals. It was agreed that more information on projected flow was needed. Chairman Holman stated that he would get back to Irene on Friday to discuss the issue further.

Request for Time Extension – After discussion, there was a Graybill/Knaub motion to grant a time extension to Scott Howell, due to weather conditions. In regards to the request for a time extension by Robert Brumbach, Chairman Holman stated that he would contact the Inspector to pay a site visit to see the damage that Mr. Brumbach said was caused when the contractor was on his property. It was decided to delay further discussion until the March 21, 2007 meeting.

Meeting Date

It was decided to schedule another meeting for March 21, 2007 at 7:00 p.m. to discuss the issues that were postponed this evening.

Adjournment

With all business completed, a Knaub/Graybill motion for adjournment was made at 11:30 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary