

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

March 21, 2007

The Penn Township Municipal Authority (Authority) met on Wednesday, March 21, 2007 in the Penn Township Municipal Building for a workshop meeting. Chairman Henry Holman, III called the meeting to order at 7:00 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:

Lee Wright, Vice-Chairman

Elmer Knaub, Secretary

Irene Graybill, Executive Secretary/ Assistant Secretary/Assistant Treasurer

Authority staff present:

Ed Chism Plant Operator

Sam Auxt, Inspector

Susan Long, Billing Clerk, Treasurer, and Recording Secretary

Visitors present:

Warren Van Buskirk, Perry County Commissioner

Linda Goldstein, Capital Region Economic Development Corporation

William Bunt, Solicitor for Perry County Economic Development Corporation (PCEDC)

Pete Zimmerman, First National Bank of Newport

Chester Snavelly,

Robert Lightner

Henry Holman, Jr.

John Myers

Visitors

William Bunt, PCEDC

Mr. Bunt reported that PCEDC has two contracts pending for development of two lots at Business Campus One (BCO) and is re-evaluating whether it wants to be in the water business. He stated that PCEDC has received an offer to sell the water system but does not want to make a decision until it ascertains if the Authority would be willing to acquire the water system if it were donated at no cost. He continued that the only stipulation is that the arrangements must be finalized by the time the first tenant moves into BCO and needs water. In addition, the Authority would pay for any improvements made after acceptance of the \$1.1million system.

Mr. Bunt noted that Lot 14 contains a well and an access easement, which would not be needed by PCEDC if the Authority takes over the water system. Mr. Bunt was then asked questions regarding the wells, water lines, standpipe, fire protection provisions and maintenance costs. He said that PCEDC has authorized Ed Chism, BCO water system operator, and Carl Fox to share any information that they have concerning those issues.

Mr. Bunt stated that PCEDC would like a response from the Authority within thirty days. Chairman Holman informed Mr. Bunt that the Authority would meet again on April 4, 2007 to further discuss the proposal and make a decision.

Commissioner Van Buskirk

Community Development Block Grant (CDBG) – Lee asked Commissioner Van Buskirk about the status of the CDBG funding application. Commissioner Van Buskirk responded that he had talked to Omar Syed, who relayed that the income survey showed that the income level of the residents in the surveyed area was above the allowed level, and also that not enough residents were surveyed. Lee explained that the Authority had tried to contact all of the 138 residents; however, a number of residents refused to provide the income information, did not answer their doors, or were never at home. He offered that his calculations showed that the income level fell below the threshold and that the twenty-nine additional surveys needed would not have made a difference. Lee expressed his frustration that the Township has not been awarded CDBG funds for a very long time and that this project would be beneficial for many residents but could not be completed without financial assistance.

Henry Holman, Jr. reported that he had spoken to Commissioner Amsler, who was in agreement with the need for the project, but who verified that the project could not be considered due to the number of non-responses.

Lee asked Commissioner Van Buskirk to consider the Authority if other grants would become available. Commissioner Van Buskirk stated that he would also talk to Mr. Syed again to see if further consideration could be given to the application. He added that, were it not for the low number of responses, the application would be at the top of the Commissioners' list.

Chester Snavely

Mr. Snavely stated that he would be developing Lot 15 at BCO for Holy Spirit Hospital. He explained that he would be building a 16,000 square foot building that would house MRI/Imaging/Xray, physical therapy, and family practice departments and that he expected a sewage discharge flow of 96 gpd. A discussion was held on whether tapping fees would have to be purchased for each department in the building. Mr. Snavely explained that there was only one legal entity, Holy Spirit Hospital, and each department was part of that entity. Lee noted that an EDU allowed Mr. Snavely 5,000 gallons per quarter. Mr. Snavely stated that he would purchase two tapping fees, or EDUs, since his estimated 96 gpd would exceed the 5,000 gallons allowed by the Authority per quarter per EDU. He acknowledged that, if his water usage goes above the EDUs purchased, he would be required to purchase an additional EDU.

Mr. Snavely was informed by Chairman Holman that an escrow account in the amount of \$2,500 might be needed for attorney and engineer plan review. Irene offered her opinion that escrow accounts are charged to the developer, which in this case was PCEDC, and that the Authority would have to pay the costs of the engineering and legal review fees. The Inspector offered his opinion that an escrow fee is needed for commercial development due to the extra engineering reviews needed to determine that the building is up to code. Chairman Holman will get back to Mr. Snavely about the escrow account.

Mr. Snavely stated that he expects the outstanding issues resulting from the Township engineer's review of his plan will be addressed in time for the March 28, 2007 Penn Township Supervisor (PTS) meeting. In order for the PTS to approve the plan at its meeting, it will be necessary for the Authority to submit a letter to the PTS stating that it would provide sewer service for the building. After discussion, it was the consensus that Irene would send a letter to the Township Secretary informing the PTS that the Authority would provide sewer service for the medical building.

John Myers, Duncannon Borough Council (Borough)

Chairman Holman noted that paperwork for authorizing the engineer to certify the Peteresburg Commons water meter vault needed his signature. He noted the items listed by the Engineer that needed to be completed. Mr. Myers stated that the Borough did not require several items on the list. Chairman Holman offered his opinion that the only items needing to be addressed by the engineer were the standards for setting water lines and preparation of the certification documents.

Henry Holman, Jr.

Mr. Holman stated that he had attended the hearing of Penn 13 LLC against the Authority and noted that no Authority member was in attendance. He said the judge had stated that Solicitor Shatto was notified of the date of the hearing. He asked if any member was aware that the hearing was being held at that time. There appeared to have been no advance notification of the Authority. Mr. Holman stated that the Authority was well represented by its errors and omissions insurance company. Chairman Holman stated that he would ask the Solicitor why no notification was provided to the Authority.

Ed Chism

Mr. Chism, who operates the BCO water system for PCEDC, asked the Authority to tell him what information it would like him to provide in addition to the estimates of operating expense, revenue, and yield and pumping records of the wells. He suggested that, if the Authority decides to accept the water system, it consider asking the PCEDC for assurances on the type of business it would be allowing into BCO. He noted that the Authority might not be able to supply water to a 20,000 gpd office complex. He offered to meet with any member for a site-visit of the water system.

Mr. Holman offered his opinion that the Authority would be obtaining a white elephant, and that there had to be a reason why PCEDC would give away a \$1.1 million water system. He also offered his concern about the Authority acquiring a system that would have no revenue to offset its expenses.

Elmer offered that the Authority will be faced with these decisions more frequently in the future. He explained that developers are not interested in running water systems and will be looking for the Authority to accept them. He asked if the Authority would be better off selling the systems, rather than operating them.

Open Items from March 7, 2007 Meeting

Letter to Phase One residents – Irene presented a draft letter to Phase One residents informing them that their one hundred eighty-day time extensions have expired and that they have still not connected to the sanitary sewer. The letter explained that, starting April 1, 2007, the residents would be billed the standard \$70 monthly sewer rental charge. After discussion, it was the consensus that Irene should send the letter out to all Phase One residents who have not yet connected to the sanitary sewer.

Uninstalled Grinder Pumps – A letter from Mike Diller with his estimates for installation of the four remaining grinder pumps was reviewed. Estimates were as follows: Nguyen and Hockenberry properties on Hill Top Road at \$1,650 each, the Johnson property at 1129 State Road at \$2,300, and the Brumbach property on Schoolhouse Road at \$1,650. Chairman Holman offered that the final cost for the Nguyen property would probably be substantially more than the estimate due to the length of the connection. Irene noted that Ms. Nguyen would not allow the contractor onto her property and refused to talk to staff members on several occasions. She added that Mr. Hockenberry and Mr. Brumbach would not allow the contractor onto their properties either. She offered that she agreed with providing the grinder pump, but said that she felt those homeowners should pay for the installation since they refused to have it installed while the contractor was on-site. The Inspector pointed out that the Authority can not turn the installation costs in to PennVest for reimbursement and will have to eat the costs if the homeowners are not held

responsible. Irene stated that the Authority should pay for the installation of the Johnson grinder pump since the members had decided to postpone installation due to geographical constrictions. She also recommended that installation be done as soon as possible while the property is vacant.

The Inspector noted that there is no water or electricity connected to the trailer on the Brumbach property and pointed out that one of the criteria used by the Authority for sewer rental abatement is lack of water. He questioned why a grinder pump should be installed when there is no electricity to connect it to and no sewer rental would be received.

After discussion, there was a Graybill/Wright motion to authorize Mike Diller to install a grinder pump at the Johnson property at 1129 State Road, at the Authority's expense, with the cost to connect the house to the grinder pump being done at the new owner's expense. Motion passed by unanimous vote of the Authority.

After discussion, there was a Graybill/Knaub motion to send a letter to Ms. Nguyen and Mr. Hockenberry informing them that they have sixty days to install grinder pumps on their property. If installation is not done within sixty days, the Authority will install the grinder pumps and bill them for the cost of installation. The Authority will provide the grinder pumps at no cost and the homeowners will be responsible for connecting the lines from the houses to the grinder pumps. Motion passed by unanimous vote of the Authority.

After discussion, there was a Graybill/Wright motion to send a letter to Mr. Brumbach, informing him that, since there is no water or electricity on his property, a grinder pump will not need to be installed at this time. At the time when water and electricity becomes available, Mr. Brumbach will be required to install the grinder pump at his expense. Motion passed by unanimous vote of the Authority.

Advantage Engineering Proposal for Well Testing – The Authority reviewed a letter from Advantage Engineering outlining proposed pumping test methodology for well #2 of the Sunshine Hill water system. Elmer offered his concerns that something may go wrong during the testing and effect well #2. He was also concerned that problems might not become evident until new customers begin to be connected. He suggested that an agreement be made with the developer stating that if something goes wrong during the testing phase, they will supply water to the existing customers and in addition, return the well to its previous condition.

Mr. Holman questioned why the Authority would want to mess with a fifty year-old well and jeopardize its entire water system. Irene noted that the developer had originally considered installing a new water system and turning it over to the Authority. Mr. Holman suggested that the Authority tell the developer to install a new water system and turn it over to the Authority. Elmer pointed out that DEP regulations for placement of a new well require a protection zone of from one to ten acres. He reported that well #2 is permitted for 70 gpd and, while it would be beneficial to find out its potential, he is concerned about jeopardizing it. Chairman Holman noted that the testing could also impact the private wells on Sunshine Hill. The Inspector presented a water well testing protocol which was provided by the Susquehanna River Basin Authority for Authority perusal.

After discussion, there was a Wright/Knaub motion to deny the well testing, based on the current proposal. Motion passed by unanimous vote of the Authority.

Chapter 94 Report EDU Projection - Chairman Holman noted that the engineer is projecting 192 EDUs for buildout of the Warden property, based on his review of the plans. He also noted that the developer had stated at a previous meeting that the buildout would be 128 EDUs. He explained that the Borough has received a sixty-day extension from DEP to allow the Authority time to revise its information, if desired. Lee offered that the Chapter 94 report could be amended next year if it turns out the numbers are high. Elmer noted that the Chapter 94 report is only a projection, and offered that the developer can not come back against the Authority.

After discussion, it was the consensus to table further discussion until the April 4, 2007 meeting when the engineer would be in attendance.

Inactive Escrow Accounts – The Treasurer presented a list of inactive escrow accounts and recommended that several of them be returned to the developer. After discussion, it was the consensus to table further discussion pending research into whether there is a time limit for action on a recorded plan and to ascertain if deeds of dedication have been received.

Mutzabaugh Developer's Reimbursement – Irene presented copies of the *Agreement for the Construction of Sewer Facilities* between the Authority and Stanley Mutzabaugh in which Mr. Mutzabaugh agreed that he would waive any future developer's reimbursement. Discussion was held about how Mr. Mutzabaugh had constructed the sewer main at his cost, but that it would set precedent to reimburse him when he waived any reimbursement. After discussion, it was the consensus to send a letter to Mr. Mutzabaugh informing him of the need to purchase an additional seven EDUs due to water usage in excess of the EDUs purchased.

Damaged Water Curb Boxes at Petersburg Commons – Irene reported that the Inspector has provided a list of water curb boxes at Petersburg Commons damaged by a Bobcat during snow removal. The Inspector reported that the lids were hooked, which snapped the brass bolts or the anchor points. Irene asked if contamination of the water supply could occur as a result of the damage and was told it would not occur. After discussion, there was a Holman/Knaub motion to send a letter to the Petersburg Commons Homeowners' Association asking if it contracted to have the snow removed in the areas of the curb boxes, and if not, does it know who did. Motion passed by unanimous vote of the Authority.

New Business

Joint Committee for Discussion of Water Street - Chairman Holman noted that, at the last JOAC meeting, it was decided to form a committee in an attempt to resolve the Water Street issues before they go to arbitration. The committee is to be composed of two Authority members, a PTS member, a Borough Council member and two Borough Municipal Authority members. Susan reported that Henry Holman, Jr. was selected as the PTS representative. There was a Holman/Graybill motion to appoint Lee as one of the Authority's representatives. Motion passed, with Lee voting against the motion. Elmer then moved to appoint Chairman Holman as the other representative, with Lee stating he thought there was a conflict in that Chairman Holman's father was the PTS representative. Chairman Holman and Irene agreed. There was then a Holman/Wright motion to appoint Elmer as the second representative. Motion passed by unanimous vote of the Authority.

Amendments to the Rules and Regulations (R&R) - The Inspector provided suggested wording for incorporation into the R&R concerning removal of the grinder pumps, hazardous discharge, and the installation and testing of precast concrete chambers. He asked that the Authority review the changes for possible action at the April 4, 2007 meeting.

List of Paid Connection Fees – Lee asked Irene if she could provide a list of residents who have paid their tapping fee in full, along with a list of residents who are paying the tapping fee in installments. It was noted that a list of people paying in installments was provided that evening. She also stated that she had the information on her computer, but explained that the spreadsheet printed out in sections that would need to be taped together. Lee said he would like to have a list of names and addresses who have paid the tapping fee to compare it to those residents who have actually connected, to get a handle on the status of the connections. Susan noted that at last count there were ninety-four new connections.

Project Restoration Issues – Lee reported that the Authority has until May 11, 2007 to finalize the list of properties with restoration work still needed and that Doli would complete all work on the same day. Irene stated that the list needed to be sent to Don Lavine. Discussion was held on outstanding items that Mr. Lavine was tracking. Irene explained that, when Doli was paid, that list was completed. At this time, two properties were put on the restoration list – 1305 State Road (Howell) and the Janet Kehr property.

Cove Centre Deed of Dedication – Irene reported that the Solicitor would be mailing the deed of dedication for the Cove Centre to Randy Rohrer for his signature. She added that the Solicitor is recommending a letter of credit for the maintenance bond in the amount of \$1,900.

Water Meter Vault – Elmer offered his opinion that the Authority should not have to pay for the installation of the water meter vault and that the costs should be passed on the developer. Chairman Holman replied that, since the PUC ordered the Authority as owner of the water system to install the meter vault, it would be difficult to now request that the developer bear the costs.

Letter from Penn Township Tax Collector – A letter from the Penn Township tax collector was discussed. The letter stated that a check for the payment of real estate tax was directed to the Authority office instead of the tax collection office. The check was cashed by the Authority and put against the property owner's delinquent sewer bill. The letter requested that the Authority refund the money to the Perry County Tax Bureau. After discussion, there was a Graybill/Wright motion to issue a check in the amount of \$432.91 to the Perry County Tax Bureau. Motion passed by unanimous vote of the Authority. Irene will write a letter to the owner and inform them that the money is now owed on their sewer account.

Rental Property at 1623 State Road – Irene reported that a previous tenant from 1623 State Road is willing to provide a sworn affidavit that the apartment on the third floor of the house has been rented since October 2005 and that the owner should have been paying for two EDUs for the house, instead of only one. Irene suggested that the owner should be charged for the back amount owed. After discussion, there was a Graybill/Wright motion to bill the owner for two EDUs for the house on a monthly basis, starting with the April billing. In addition, the owner is to be billed for one additional EDU for the period from October 2005 through February 2006, subject to the Solicitor's approval. Motion passed by unanimous vote of the Authority.

Adjournment

With all business completed, a Graybill/Wright motion for adjournment was made at 10:00 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary