

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

May 2, 2007

The Penn Township Municipal Authority (Authority) met on Wednesday, May 2, 2007 in the Penn Township Municipal Building. 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:

Henry Holman, III, Chairman

Lee Wright, Vice-Chairman

Elmer Knaub, Secretary

Henry Holman, Jr.

Irene Graybill, Executive Secretary, Assistant Secretary, and Assistant Treasurer

Professional staff present:

Dennis Shatto, Esq., Cleckner and Fearen (CF), Solicitor

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 (Borough) Council

Minutes

After discussion, and upon a Holman, Jr./Knaub motion, the Authority voted to approve the April 4, 2007 minutes as presented.

Visitors

Steve Read, Advantage Engineering

Mr. Read was present to discuss his proposals for supplying water to the proposed Yingst development. Elmer noted that there was not much available space for drilling a test well on the Sunshine Hill water system property. Mr. Read stated that, in public water supply systems, DEP requires that Zone 1 well protection requirements be satisfied. However, in cases where space is tight, DEP will allow a new well to be constructed closer to the existing well as long as it does not draw at a rate higher than the existing well was permitted. He stated that the test well could be used as a back-up. Elmer informed Mr. Read that the Authority would like to have a back-up well with the best water quality and flow rate and offered that he felt the Authority was limited in construction at the water system property.

Susan was asked to read the motion approved at the April 24, 2007 Authority meeting, in which it was voted to request that Yingst Homes provide a standpipe, well and any necessary treatment to supply water for the development.

Mr. Read asked what the Authority had in mind for a standpipe. Elmer responded that it should be able to provide one-day storage capacity for the Yingst development and current water system customers. The Operator asked if someone could check with DEP to see if a back-up generator would still be required if the standpipe had two-day storage capacity.

Chairman Holman informed Mr. Read that sometime in the next week a letter would be sent to Mr. Yingst, with copies to Mr. Read and Alpha Engineering, detailing exactly what the Authority would like to have Mr. Yingst provide. He explained that the Authority was asking for a back-up well to be installed before testing of Well #2 was started because it is concerned about the stability of Well #2. Mr. Read asked if Mr. Yingst would provide a standpipe before testing, could that act as a hedge against the instability of Well #2 and disruption of the water supply.

Discussion was then held on possible locations of the back-up well and standpipe, along with the fact that the standpipe would need to be pressurized.

Sam Auxt

Mr. Auxt noted that he had previously addressed the issue of requiring an escrow account for the Family Medical Center at Business Campus One (BCO) and asked what the outcome of the discussion was. He stated that his goal was consistency, and an escrow account should be established since it was required of Dollar General and Sheetz. Chairman Holman replied that there would not be any inspection done by the Authority since inspections at BCO fall under the jurisdiction of the UCC inspector. Mr. Auxt responded that his point was not inspections, but consistency. If Dollar General and Sheetz had to establish escrow accounts, so should all businesses at BCO. He noted that all unused money is returned to the developer.

The Operator asked if, in the event there is a building with four separate entities, the UCC inspector would check to see if separate water lines are installed, or would he just ensure that the lines meet the building code. Henry replied that the UCC inspector checks to make sure the lines are installed to meet the minimum state code, except in cases where the Authority's Rules & Regulations (R&R) are more stringent.

The Solicitor noted that Section 6.80 of the R&R includes a mechanism for the establishment of escrow accounts and offered his opinion that the Authority should consider adding the definition of "developer". Mr. Auxt offered that that might end the confusion that a developer is only concerned with residential units. After discussion, there was a Holman, Jr./Knaub motion to require establishment of an escrow account for any development project other than detached single-family homes, subject to revision of Section 6.80 to include the definition of "developer" by the Solicitor and Mr. Auxt. Motion passed by unanimous vote of the Authority. Irene will notify Pyramid Construction that an escrow account is required for the Family Medical Center.

The Solicitor suggested that, due to the recent changes, the R&R should be updated and approved at a future meeting.

Plant Operator's Report See May 2007 Operator's Report

DMRs – (see written Discharge Monitoring Reports dated March 2007). The DMRs were reviewed with the note that the average influent BOD level for the Cove Wastewater Treatment Plant (WWTP) was 152 mg/l, well below the design threshold of 240 mg/l. The Operator explained that the low BOD level might be due to I&I entering the system during rainstorms and diluting the sewage. The Operator extended an invitation that Authority members contact him at any time with questions.

Duncannon Collection System – The Operator reported that Joe Smith replaced the water pump on the Main Street generator at a labor charge of \$60. He noted that the radiator on the generator is now leaking. Henry stated that he and Mr. Smith would repair the leak.

Kinkora Collection System – The Operator reported that the generator at the Kinkora WWTP needs a new alternator. He also noted that it would cost \$600 for Heim Electric to repair the EQ pump.

Cove Collection System – The Operator reported that he had sent an EQ pump from the Cove WWTP to Heim Electric for servicing. The cost to repair the pump will be \$1,500, while the cost of replacement will be \$2,000. After discussion, there was a Wright/Knaub motion to replace the EQ pump at a cost of \$2,000. Motion passed by unanimous vote of the Authority.

The Operator reported that DEP has received a complaint about the odors coming from the Cove WWTP. He stated that, in an effort to dissipate the odor, he temporarily is using a 48" fan to blow across the EQ tank and at the same

time is covering the splitter tank with plastic. He stated that has helped alleviate the odors, but a permanent solution is needed. He informed the Authority that he has contacted DEP and PRWA for suggestions.

Discussion was then held on possible solutions including chlorinating the sewage entering the plant or covering the tanks. After discussion, Henry volunteered to make a site visit to investigate different ways the EQ tanks could be covered.

Grinder Pump Problems – The Operator reported that the grinder pump at 218 Schoolhouse Road failed on April 21, 2007 and was replaced by Elmer Noss and himself. The grinder pump at 1627 State Road failed on April 29, 2007, with Inspector Auxt replacing the relay switch.

The Operator stated that he had received a call from the resident of 1127 State Road on April 23, 2007 that sewage was coming out of the top of the grinder pump. This was a result of the breakers inside the control box never being turned on when the grinder pump was connected to the house line in January 2007. He explained that, since the effluent had not backed up into the house during those three months, it was entering the ground through cracks in the laterals. Now that the grinder pump is working, I&I will begin to enter the lateral during periods when the ground is wet. He emphasized that this is why the Authority needs to air-test from the grinder pump back to the house. The Operator noted that this is not the first time that breakers were not turned on when the final connection was made and is the second time when they were not turned on for several months after connection. Chairman Holman offered that there was justifiable reason to require air-testing from the grinder pump back to the house at those two locations where it took several months before it was realized that the breakers had never been turned on.

The Operator stated that locks came with the control panels and suggested that they be locked, with copies given to the homeowners, to prevent the breakers from being inadvertently turned off. No action was taken on the suggestion. The Operator also noted that no one was inspecting to see if floor drains are connected to the sanitary sewer.

Concrete Pad at Cove WWTP – Irene noted that a letter had been received from the Penn Township Supervisors (PTS) stating that the PTS would donate labor and equipment to construct a concrete pad at the Cove WWTP if the Authority would supply the materials. The Operator explained that, if the concrete pad was installed, the deliverer of chemicals would be able to move the chemicals inside the building. After discussion, there was a Wright/Knaub motion that, since the PTS is donating labor and equipment, the Authority would supply the necessary materials. Motion passed by unanimous vote of the Authority.

Inspector's Report See Inspector's Report for April 2007

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

24 Petersburg Lane – The Inspector reported that he repaired a loose wire on the water meter at 24 Petersburg Lane. He added that a special tool is needed to remove the meter reader head and would report back with a cost.

PA One Call Marking Flags – The Inspector stated that he would like to purchase flags to mark sewer and water lines for PA One Calls. After discussion, there was a Graybill/Wright motion to purchase flags to mark sewer and water lines at a cost of \$8.00/100 for each type and to also purchase a water meter wrench. Motion passed by unanimous vote of the Authority.

Little Boston Pump Station – The Inspector reported that the discharge pipe fittings for both pumps in the Little Boston pump station have "Band-Aid" repairs and will have to be replaced in the future. Chairman Holman stated that he would pay a site visit to see if he can come up with a more permanent repair than has been done in the past.

Master Meter Report – The Master Meter reports were reviewed without comment.

PTS Report

Henry reported on the PTS meeting held on April 25, 2007. He stated that he had proposed to the PTS that it pay for 50% of an additional study of the Authority's finances. He explained that this would be done to provide a clear picture of the Authority's finances for the members. He suggested that John Klingler be hired for "agreed-upon

procedures" to look at the books as far back as the Authority would like. He stated that he had received a preliminary estimate from Mr. Klinger at a cost of \$3,000. He noted that the only disagreement to his proposal at the PTS meeting was because he did not have a written proposal to provide. Lee said that he felt a study was needed because of the change of treasurers.

Irene questioned why Mark Derr was paid \$5,400 if another audit is needed. Chairman Holman responded that Mr. Derr did not conduct an audit, but rather a study to help establish and justify the rate increase.

The Solicitor suggested that the Authority should decide the scope of the study and the depth to which Mr. Klinger should go. Henry responded that the scope would be the number of years that the Authority wants to go back.

Elmer offered that he did not know how the Authority's books worked, and felt that it would be educational to him, especially if Mr. Klinger makes recommendations for future operations. Henry will draft the scope of the study for review at a future meeting.

Engineer's Report See Engineer's Report dated April 17, 2007

The Engineer was not in attendance at tonight's meeting. Chairman Holman noted that the Engineer had faxed the flow evaluation report and would mail the original and the accompanying map. Irene stated that she would make copies of the map for any interested member.

Solicitor's Report See Solicitor's Report for April 2007

Letter from Herbert, Rowland & Grubic, Inc. (HRG) – The Solicitor presented a letter from HRG dated June 18, 2003 that he had discovered in his files. The letter concerned the request for purchase of additional capacity from the Borough for Point of Connection #1 for BCO. He stated that he could not remember that the issue was ever resolved and asked if anyone knew the status of the request, adding that more capacity will be needed as development occurs at BCO. Susan stated that she would research the minutes to see how the issue was resolved. Irene will add this issue to the agenda of the June 6, 2007 meeting.

Cove Centre Deed of Dedication – The Solicitor said that he had reviewed the letter of credit and found it to be satisfactory. He stated that the recording of the right-of-way (ROW) easement and deed of dedication is on hold until the owner repairs the wet well.

Unused Escrow Account Funds – The Solicitor had been given the original grinder pump easement for Cocco Development at the April 4, 2007 meeting. He will review it for the June 6, 2007 meeting and, if satisfactory, the unused escrow funds can then be returned. Susan reported that neither the grinder pump easement for Sheetz Car Wash nor the deed of dedication for the Preston property is on file in the Authority office. The Solicitor will check to see if he has a copy of either document in his files.

Sharar Property, 1422 State Road – The Inspector reported that the Sharar property had been used by Doli Construction for materials storage and that an Authority manhole cover is lying on the property. He will ask Don Lavine to contact Doli about retrieval of the cover.

Henry reported that Mr. Sharar had attended the PTS meeting to state that, while he owns the property he does not live there, and will not pay the \$70 monthly rental fee. Mr. Sharar informed that PTS that they had required him to install a \$10,000 sand mound before the sewer line was installed and that, subsequently, the Authority relieved him of one tapping fee. He also informed the PTS that he had returned his right-of-way payment to the Authority.

Henry stated that he felt this situation would lead to litigation. Susan stated that she would research both the Authority and PTS minutes to provide background information.

Air-Testing Back to House – The Solicitor reported that air-testing back to the house is already required under Section 3.130 of the R&R, although it states that testing "...shall be performed on the line being installed" when the problem is currently with the existing line. He suggested a change in wording to read "...on the existing line or the line being installed." He will draft suggested wording and review it with the Inspector. The Solicitor offered that he envisions that I&I could become a big problem for the Authority. He stated that he felt the Authority had a reasonable basis to go to the two homeowners whose grinder pumps were not activated for several months after connection and require air-testing back to the house.

Henry stated that he had talked to the PTS's solicitor, who feels that the UCC inspector can not require air-testing back to the house for inspections that he has completed, but the Authority can. The Solicitor stated that he agreed and felt that it was a gap that needed to be closed. He urged the Authority to consider requiring air-testing back to the house for all connections, possibly sharing the cost with the homeowners.

Discussion was held on whether floor drains were discharging to the sanitary sewer. The Solicitor noted that, according to the R&R, the Authority has the right to verify that floor drains have been sealed. He suggested that the Authority send a letter to the homeowners informing them that an inspection will take place to verify that floor drains are sealed, and that sump pumps and down spouts do not discharge into the sanitary sewer. Chairman Holman and the Inspector will draft a letter addressing this issue, along with the issue of I&I entering the sewer through cracked and broken lines.

Purchase of additional ROW at Petersburg Commons – The Solicitor reported that he has had no response to the Authority's offer of \$750.00 for the ROW for the water meter vault at Petersburg Commons.

Billing Clerk's Report

Delinquent Accounts – Susan presented a list of accounts delinquent as of April 30, 2007. Irene updated that list with the names of those who have been making payments on their accounts. After discussion, it was the consensus to send a letter to Herman Deimler telling him he has 30 days to make his water accounts current or he will be turned in for collection. It was also the consensus to send letters to the sewer customers who have not already been turned in for collection and who are not making any attempt to make payments. The letter will give them until May 25, 2007 to make their sewer accounts current or they will be turned in for collection. Irene will provide an update at the June 6, 2007 meeting.

Audit of Metered Sewer Customers – Susan presented the quarterly audit of non-residential customers comparing their water usage with EDUs purchased, noting that Mutzabaugh's Market and Sheetz Car Wash both owe an additional EDU over the previous quarter. Irene stated that they both had been billed in April. After discussion, it was the consensus to write a letter to Mutzabaugh's Market and Sheetz Car Wash informing them that they had previously been billed and the Authority has not received any response. The letter will say that they have until May 25, 2007 to make payment in full or set up an installment payment plan, or they will be turned over to the Solicitor for collection. Chairman Holman will review the letter before it is sent.

While water usage of non-residential customers will be reviewed quarterly, a decision to charge for additional EDUs will be done on an annual basis after the January readings are received.

Treasurer's Report

Invoices and Expenditures – Susan reported that checks for Buchart Horn and the District Judge are included for payment but will appear with the May reports. After discussion, there was a Wright/Knaub motion to approve payment of the April 30, 2007 invoices totaling \$74,092.96. Motion passed by unanimous vote of the Authority.

An invoice from PA Municipal Authorities Association (PMAA) in the amount of \$571.81 for 2007 membership dues was reviewed. It was questioned what benefits the Authority derives from membership. Irene stated that all members receive a monthly magazine. She pointed out that dues are based on the Authority's revenue and, as it increases, the amount of the annual dues increases. It was the consensus not to renew membership until Susan calls PMAA and asks what benefits are derived from membership.

Financial Report – Susan noted that interest and tapping fees in the amount of \$9,900 have been transferred to the Capital Reserve Account.

Incoming Correspondence

A list of all incoming correspondence can be found on the May 2, 2007 agenda. The correspondence was reviewed without comment.

Outgoing Correspondence

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

Joe Roberts Grease Trap Agreement – Irene reported that Mr. Roberts has not responded to her request to forward a signed grease trap agreement to the Authority.

Old Business

JOAC Subcommittee – The Solicitor asked if any meetings of the JOAC subcommittee have been scheduled. Chairman Holman replied that nothing has been scheduled but that he could call Duane Hammaker to find out the status of future meetings. Elmer reported that one meeting has been held, with the Borough proposing that 32.43% be used across the board for capacity and shared-line costs. Henry added that accepting the 32.43% proposal would eliminate the capacity issues at various points of connection. He and Elmer updated the Authority on discussions held on sludge removal and Water Street. Elmer reported that, according to PennVest officials, the Authority was not identified on the Borough's application for funding for repair of the Water Street line. He said that he asked if the Authority could apply for PennVest funding if it lost the arbitration and was told it could not. The Solicitor explained that it would be construed as a re-financing, which is not allowed. The Solicitor also noted that the Borough has been willing to share its 1% financing for the Water Street line when it offered that the Authority could pay its pro rata share of the payments, or \$700 per month. He stated that he was not sure that the offer was still available.

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

Additions to the R&R - Chairman Holman noted that the Inspector had presented suggested language for the R&R concerning prohibited wastewater and industrial waste, and precast reinforced concrete chambers. After discussion, there was a Wright/Knaub motion to include the above-mentioned additions to the R&R. Motion passed by unanimous vote of the Authority.

Motion to Dismiss Solicitor – Upon a Holman, Jr./Wright motion, the Authority voted unanimously to dismiss the Solicitor from the remainder of the meeting.

Request for Proposal (RFP) Format - Chairman Holman noted that Irene had provided past RFPs for review for consideration in advertising for engineering and legal services. After discussion, it was the consensus that Irene would place an ad in the Patriot-News asking for RFPs for engineering and legal services.

New Business

Payment of Rental Fees after Receipt of Connection Notice – A list of phase two residents who have not yet connected was reviewed. It was noted that Glenn Hockenberry was not on the list and that he was one of the residents who refused to allow a grinder pump to be installed on his property. It was also noted that neither of Franklin Reidlinger's properties had water service. Henry noted that the PTS had given Mr. Reidlinger a 90-day time extension for connection at its April 25, 2007 meeting. After discussion, it was the consensus to take no action on this property for the 90 days, after which the possibility of requiring a reservation of capacity agreement will be considered.

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

Time Extensions for Phase Three – After discussion, it was the consensus to grant time extensions until June 10, 2007 to Judi Bair, Randy Fulkroad, Marvin Moss, Jeff Raber (Michael Dively), and Cook Family Trust.

Donadee Property, 1134 State Road - Chairman Holman stated that he would like to verify that there are three EDUs at the Donadee property. He volunteered to make a site visit with the Inspector to verify the number of dwelling units at the property.

Meeting with Senator Corman and USDA Representative – Irene reported that a meeting has been set for May 23, 2007 at 11:00 a.m. at Senator Corman's office to discuss any grant monies that may be available through the USDA. Irene was requested to remind the members before the meeting.

BCO Water Facilities – Lee reported that he had informed the County Commissioners the Authority was not interested in taking over the water facilities at BCO because of the negative financial impact it would have. He relayed that the Commissioners understood that the Authority did not want to put an additional burden on its ratepayers.

Lee then reported that the Commissioners were not able to provide Community Development Block Grant (CDBG) funding for fire protection on Sunshine Hill because the survey was short by fourteen responses. He said that the Authority was requested to apply for CDBG funding again next year.

PennVest Continuing Education Requirement – Irene relayed from Don Lavine that the Authority has met the continuing education plan requirement for final reimbursement from PennVest.

Reidlinger Plaque of Appreciation – After discussion, there was a Holman III/Graybill motion to purchase a plaque for Franklin Reidlinger, in appreciation of his many years of service. Motion passed by unanimous vote of the Authority.

Adjournment

With all business completed, a Wright/Graybill motion for adjournment was made at 10:40 p.m. Motion passed by unanimous vote of the Authority.

Submitted by Susan E. Long
Recording Secretary