

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

June 6, 2007

The Penn Township Municipal Authority (Authority) met on Wednesday, June 6, 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.

Professional staff present:
Dennis Shatto, Cleckner & Fearen, Solicitor

Authority staff present:
Edward Chism, Plant Operator
Sam Auxt, Inspector
Susan Long, Billing Clerk, Treasurer, and Recording Secretary

Visitors present:
Peggy Paden and Sally Fiscus, Pettersburg Commons Homeowners' Association
Bryan Soyka, Sheetz Car Wash
Carol Nguyen, 7 Hill Top Road
Peter Engle, 17 Hill Top Road
Richard, Millie, and CeCe Novinger, Garden Seat Tea Room
B. J. Giangulio, H. A. Thomas

Executive Session

Chairman Holman announced that an executive session to discuss legal matters had been held at 6:30 p.m., immediately preceding this evening's meeting.

Minutes

After discussion, and upon a Wright/Knaub motion, the Authority voted to approve the April 24 and May 2, 2007 minutes as presented. Motion passed by unanimous vote of the Authority.

Visitors

Peggy Paden and Sally Fiscus

Peggy Paden stated that she was president of the Petersburg Commons Homeowners' Association (PCHA) and introduced Sally Fiscus, the treasurer of the PCHA. Ms. Fiscus stated that they were present to address the letter sent by the Authority concerning water curb boxes that were damaged as a result of snow removal. She stated that the PHA did not hire the individual(s) who removed the snow. She explained that the covenants agreed to by the homeowners make snow removal the responsibility of each lot owner and that they were told in the PCHA newsletter that they are responsible for any resultant damage. She offered her opinion that the Authority should send a letter to the owner of each property with the damaged curb boxes, informing them that they are responsible for repair of the boxes and specifying what they need to repair/replace. She stated that the letter could mention that Ms. Paden or

herself had attended this meeting and could be contacted for further information. Ms. Fiscus noted that several of the damaged boxes are on vacant lots owned by Dale McGuire.

Ms. Fiscus asked where the homeowners could get the necessary parts and was directed to contact L/B Waters. Chairman Holman informed Ms. Fiscus that it would be cheaper for the homeowners if they would use one contractor to do all the repairs at one time. Ms. Paden asked if the Authority would need to inspect the repairs and was told that would not be necessary.

Bryan Soyka, Sheetz Car Wash

Mr. Soyka was in attendance to discuss a letter sent by the Authority informing Sheetz of the need to purchase fourteen additional EDUs for the car wash. Mr. Soyka stated that Sheetz is in the process of making adjustments to the wash cycle to lower its water usage. He asked if Sheetz could purchase ten EDUs at this time, with any additional EDUs to be purchased after a review of the water usage at the end of August. Mr. Soyka informed the Authority that Sheetz is in contact with DEP to find out if the water could be discharged as irrigation instead of into the sanitary sewer. After discussion, there was a Wright/Knaub motion to authorize Sheetz Car Wash to purchase ten EDUs, with a decision on additional EDUs needed to be made after a review of water usage at the end of August. Motion passed by unanimous vote of the Authority.

Carol Nguyen, 7 Hill Top Road

Ms. Nguyen reported that her home had recently burned down and that she has been in contact with a contractor to rebuild on the property. She asked if a grinder pump would be provided for her connection to the sanitary sewer. She was informed that a grinder pump was available and that a tap was installed on her property. She was requested to have her contractor contact the Authority and Township offices for the necessary permits.

Ms. Nguyen asked if the monthly sewer rate is \$70 per month, stating that was too much to pay. She stated that she had heard the rate was going to increase. Chairman Holman responded that the rate is \$70 per month, but that no rate increase was being planned. Lee explained why the rate was \$70 per month and added that the Authority was doing everything it could to reduce rates.

Peter Engle, 17 Hill Top Road

Mr. Engle stated that he had received a letter from the Township granting him an extension for connection to the sanitary sewer until July 30, 2007. He said that he has also received a letter from the Authority telling him that he would need to start paying a \$70 monthly sewer rate. He asked how the Authority could charge him when he was not yet connected to the sewer. The Solicitor replied that Commonwealth Court has ruled that authorities can charge a sewer rental, even though a homeowner is not connected, if the service is available. He explained that the ruling was based on the reasoning that municipalities need the revenue, and that otherwise, homeowners would not connect.

Mr. Engle stated that he has paid his tapping fee but, due to family medical conditions, has not yet made the connection. He stated that he would not pay the \$70 monthly fee and would talk to his lawyer. He then stated his concern over the high monthly rental fee, with Lee responding that the Authority is working to lower the rates and is still pursuing grant money. Lee asked Mr. Engle for his timetable for connection, with Mr. Engle responding that he would probably be connected before the end of July.

Mr. Engle then asked what could be done about the odor coming from the Cove wastewater treatment plant (WWTP). He was told that the Authority is working on the problem and will address the issue later in the meeting.

CeCe Novinger

Ms. Novinger stated that she had received a letter on May 31, 2007 telling her that, starting on June 1, 2007, she would be billed \$70 per month. Ms. Novinger explained that the Penn Township Supervisors (PTS) granted her a 90-day extension on April 25, 2007 and she was well within that timeframe when she received the Authority's letter. She said that she understood the Solicitor's explanation but did not agree with it and expressed her concern that letters like those are not favorably received by the residents and do not foster friendly relationships.

Chairman Holman asked when connection notices were sent and was told that phase one notices were sent on June 8, 2006, with phases two and three sent on August 8 and October 10, 2006. He agreed that there had been weather impacts but offered his opinion that substantial time frames have been granted to the residents. He stated that

the Authority has lost revenue due to the delay of residents to connect. Ms Novinger stated that she was 11th on the contractor's list and was at his mercy for connection.

Operator Ed Chism reported that he has been receiving complaints from residents that they have been connected and paying for ten months and their neighbors, who received notice at the same time, have not yet connected. He said they are questioning why they should be paying when their neighbors aren't. He offered his opinion that the Authority should be pushing hard to get the remaining residents connected, because the residents who have connected have a legitimate complaint. Henry Jr. offered comment that the sewer issue is the hardest issue he has faced as a supervisor. He agreed that a time should come when no more extensions are granted and the Authority will have to force the remaining residents to connect.

Ms. Novinger asked how many EDUs would need to be purchased for the Garden Seat Tea Room (Tea Room). She stated that there are two bedrooms, a living room, and a bathroom on the second floor, and a kitchen and restaurant on the first floor. She explained that the Tea Room is open three days a week for four hours each day. When the Tea Room is open, the average daily water usage for the building is 87.6 gallons. When the Tea Room is closed, the average daily water usage is 25 gallons. She stated that for fifty-nine years the Tea Room kitchen has been used as the house kitchen and that there is no space upstairs to install a kitchen. Mr. Novinger stated that there is one electric meter for the building.

Chairman Holman noted that the water usage was definitely under the 150-gpd definition of an EDU. Lee offered that billing is done on the basis of water usage, as with Sheetz. Chairman Holman stated that the Authority must decide if the building is two separate entities or just one. Henry Jr. offered his opinion that there is no need for two EDUs, that the upstairs is living space with the kitchen downstairs. He noted that, before the Tea Room opened, it was a single family home. He stated that the water usage does not justify a second EDU. Inspector Sam Auxt noted that the R&R provide guidelines based on seating capacity, but he felt the intention was for restaurants open on a daily basis. The Solicitor stated that, without reviewing the *Rules & Regulations* (R&R), it would be hard to comment on the mixed-use of the building. Chairman Holman noted that, by monitoring water usage, the Authority would know when a second EDU was necessary. The Operator noted that, structurally, the building could not be separated into two units.

After discussion, there was a Knaub/Wright motion to charge one EDU for the Tea Room property at 1401 State Road, with water usage to be monitored quarterly. Motion passed by unanimous vote of the Authority.

B. J. Giangulio, H. A. Thomson Insurance

Mr. Giangulio was present to discuss the Authority's package policy renewing on July 5, 2007 and a worker's compensation policy renewing on September 17, 2007. He reviewed the current coverage of the Authority's assets and asked for recommendations for any changes to the coverage. Coverage of grinder pumps was discussed. Based on Mr. Giangulio's recommendation, it was the consensus that, once installed, they would not be insured.

Regarding the worker's compensation policy, Mr. Giangulio will check the worker's compensation audit results in November 2007 to see what worker classification and payroll information it contains.

Plant Operator's Report

DMRs (See written Discharge Monitoring Reports dated April 2007). The DMRs were reviewed with the note that the total suspended solids for Kinkora WWTP exceeded the limit by 4 mg/l. He said he has decreased the mixed-liquor solids to remedy the situation.

Odor at Cove WWTP – The Operator reported that he has taken the following steps to alleviate odor at the Cove WWTP. A large fan is blowing over an equalization tank to disperse the odors. Four large deodorant blocks were hung on DEP's recommendation. Enzymes mixed with water are being sprayed on the standing water areas of the WWTP. He stated that these actions have helped somewhat, but to get a handle on the problem, he recommended that both equalization tanks should be covered. He added that DEP and PA Rural Water had no further suggestions.

Discussion was then held on possibilities for covering the tanks and any resultant gas build-up. After discussion, there was a Holman Jr./Wright motion to research enclosure packages for the Cove WWTP for odor abatement. Motion passed by unanimous vote of the Authority.

Water Supply for Yingst Development – Elmer reported that the developer had contacted the office to request a negotiating session to discuss the water supply for the proposed Yingst development. The Solicitor offered his opinion that any Authority discussions held prior to a meeting with the developer could appropriately be held in executive session since it will involve discussion on real estate transfer. It was the consensus to hold an executive session on June 7, 2007 at 6:00 p.m. immediately before the JOAC meeting.

JOAC Meeting – Since it was uncertain whether or not Irene had advertised the JOAC meeting scheduled for June 7, 2007 at 7:00 p.m., the Solicitor recommended that it could be considered an executive session if the discussion was limited to the Water Street arbitration.

Inspector's Report See Inspector's Report for May 2007

Master Meter Report – The Master meter report was reviewed without comment.

Grinder Pumps Removed – The Inspector reported that grinder pumps were removed from the wet wells at 2 and 126 Railroad Street. He reported that a grinder pump was installed for an uninhabited trailer at 214 Firehouse Road and that it would be removed in the near future, along with the control panel. A letter from Kate Withers was reviewed. Ms. Withers stated that she has purchased the adjoining property at 1 Chestnut Avenue and requested that the grinder pump be pulled as she was going to demolish the house. The Inspector was requested to remove the grinder pump and control panel from this location.

Sharar Property, 1424 State Road – The Inspector reported that he had reviewed the June 2, 2004 Authority minutes in which Mr. Sharar was granted a waiver of two tapping fees for the houses at 1424 State Road. He stated that there was no mention in the minutes to waive the requirement for connection to the sanitary system. He noted that the duplex grinder pump had been installed toward the rear of the property and that the possibility exists that the brick house in the front of the property is further than 150 feet from the grinder pump.

Cove Centre – The Inspector reported that the Hong Kong Express would be switching from water-cooled refrigerator units to air-cooled units, which should reduce water usage.

Kinkora Home Expansion Project – The Inspector reported that a manhole needs to be relocated as part of the Kinkora expansion. He added that the manhole is not the part of the Authority's main. He stated that he informed the contractor of the pressure test, vacuum test, mandril test, ID tape, and bedding requirements.

The Inspector noted that both he and the Operator have accrued time on this project and asked if an escrow account was established. Susan noted that the Authority had approved a motion the previous month to require escrow accounts for any development project other than single family, detached homes. Irene will be requested to notify the developer of the need to establish an escrow account.

Dollar General Duplex Grinder Pump Easement – The Solicitor reported that he does not have the original duplex grinder easement and that it has not been recorded at the Perry County Courthouse. He noted that Irene had provided him copies of the agreement for this evening's meeting. Susan told the Solicitor that he was provided with the original easement at the April 4, 2007 meeting. The Solicitor will try to locate it.

Petersburg Commons Water Vault – The Inspector reported that restoration has been completed at Petersburg Commons and that Duncannon Borough (Borough) has installed the master meter and has started taking readings from it. The Solicitor stated that Allen Hench was waiting for restoration to be complete before responding back to the Authority about the acquisition of additional right-of-way. The Solicitor will contact Mr. Hench and inform him that restoration is now complete.

A discussion was held on cross-checking master meter readings for the first few months until it is determined that there are no problems with the master meter. It was noted that Shade Reidlinger will be reading the house meters at the end of June, which will provide a base reading, with the Inspector reading them at the end of July.

As-Built Drawings for Cove Project – Susan stated that she has noted several discrepancies with the as-built drawings. The drawings show a duplex grinder pump at the Sam Smith Sporting Goods shop when in actuality two simplex pumps were installed. She noted another location where a grinder pump is installed but was not shown on the drawings. The Inspector commented that the Authority has paid for several grinder pumps that were installed but not needed. He stated that on previous occasions he and the Operator have commented on the fact that the inspection engineer hired by ARRO did not do a satisfactory job.

Penn Township Supervisor (PTS) Report – Henry reported that the PTS's auditor did not have a copy of the Authority's audit to include with their financial statements for the Township. Henry asked that a copy of the Authority's audit be forwarded to the Township when it is available.

Solicitor's Report See written report dated June 5, 2007

Penn 13 – The Solicitor reported that the rate challenge initiated by Penn 13 has been terminated due to their failure to file a complaint.

Tea Room – The Solicitor commented on the motion to require only one tapping fee for the Tea Room. He offered that the issue is similar to a home occupation, which is considered a residential use, and which only requires one EDU. He likened it to a doctor with an office in his house, where only one tapping fee would be required. He noted that it was a residence before the Tea Room was added and he understands that there is no physical separation between the residence and the business. If there were a separation, then there would be a stronger argument to charge a second tapping fee.

Business Campus One (BCO) Capacity Study Update – Susan presented her findings after reviewing the minutes for the outcome of the Authority's 2003 request to the Borough for the cost of up to 52,000 gpd of additional capacity for BCO. The last correspondence on the subject appears to be a letter from the Borough dated July 15, 2004 requesting an escrow account of \$10,000 to fund a study by the Borough's engineer. The Solicitor noted that it is now three years later and the issue needs to be addressed.

Deeds of Dedication – The Solicitor reported that the deeds of dedication for the Preston property and Sheetz Car Wash have been recorded.

Per Meeting Fee – Lee noted that Buchart Horn has agreed to put the engineer on a per meeting charge, and asked if the Solicitor would consider billing his attendance at meetings in that manner. The Solicitor responded that he would provide a proposal for the July 5, 2007 meeting.

Billing Clerk's Report

Delinquent Accounts – Susan presented a list of accounts delinquent as of May 31, 2007. Chairman Holman noted that the delinquent accounts totaled over \$15,000 for sewer and \$6,000 for water. He offered that making delinquent accounts current should be a priority of the Authority. He stated that he will talk to Irene about the importance of collection on the delinquent accounts.

Reservation of Capacity Agreements – Susan provided the Authority with a copy of a reservation of capacity agreement entered into with residents who wanted grinder pumps installed on unimproved lots. The agreements specified that the Authority would provide grinder pumps for those lots, contingent upon the payment of a \$2,650 tapping fee and connection of the property to the sanitary sewer within one year. If not connected within one year after service is available, a reservation of capacity fee would be charged.

Susan presented a list of property owners who had signed reservation of capacity agreements, along with parcel numbers and information about each property. She reported that James Scholl had entered into an agreement for four lots but that no grinder pumps were installed on the lots. She added that there are also no grinder pumps shown on the as-builts.

Susan stated that no action was necessary at this time because these properties are in phases two and three, but that the Authority should consider what should be done with the tapping fees received from Mr. Scholl and when it would like to commence billing for the reservation of capacity charge for the remaining agreements. Tapping Fee Revenue – Lee noted that the tapping fee revenue for May was 50% of the amount collected in the first four months of the year and commented that he was pleased to see that it was increasing.

Treasurer's Report

Invoices and Expenditures – After discussion, there was a Wright/Holman Jr. motion to approve payment of the May 31, 2007 invoices totaling \$26,874.28. Motion passed by unanimous vote of the Authority.

Financial Report – The financial report covering the period May 1 through May 31, 2007 was reviewed.

PennVest Reimbursement – A question was raised on when the final reimbursement payment will arrive from PennVest. Lee will contact Don Lavine and ask him to check on the status of the PennVest loan.

PA Municipal Authorities Association (PMAA) – Susan reported that a bill for the 2007 PMAA membership dues in the amount of \$571 was received. She reported on the membership benefits provided. After discussion, there was a Wright/Knaub motion to cancel membership in PMAA. Motion passed by unanimous vote of the Authority.

Unused Escrow Account Balances – Susan noted that the Solicitor has recorded deeds of dedication for Sheetz Car Wash and the Preston property. She stated that there has been no activity in either escrow account for several years and requested authorization to return the unused balances to the developers. After discussion, there was a Wright/Holman Jr. motion to return unused escrow balances in the amounts of \$316.06 to Sheetz Car Wash, and \$1,622.78 to Susquenita School District for the Preston extension. Motion passed by unanimous vote of the Authority.

Motion to Extend Meeting

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

Incoming Correspondence

A list of all correspondence can be found on the June 6, 2007 agenda. The correspondence was reviewed without comment.

Old Business

June 2, 2004 Minutes About Sharar Property at 1422 State Road – Susan noted that the June 2, 2004 minutes contain a motion waiving two tapping fees for the Sharar property at 1422 State Road. Henry explained that the Township had required Mr. Sharar to install a \$10,000 sand mound instead of allowing a holding tank, without notifying him that the sanitary sewer was expected to be constructed in several years. Because of this, the Authority voted at that time to waive the tapping fees for the old and new house on the property. Henry added that, at a recent PTS meeting, Mr. Sharar stated publicly that he will not connect the property to the sanitary sewer, nor will he pay the monthly sewer charge.

New Business

Recording Secretary Position – Susan was requested to contact the applicant, Loren Lightner, and inform her of what responsibilities the recording secretary position entails and to find out if she is still interested in the position.

Proposals from Engineering Firms – Lee stated that the Authority had advertised for proposals for engineering and legal services to see if it could cut expenses in those areas. He stated that Buchart Horn informed him that it could provide the current engineer at a per meeting charge of \$200, instead of a \$9,600 annual rate, and could lower the rate for any work performed outside of meetings.

It was decided that Chairman Holman and Elmer would meet the evening of Friday, June 8, 2007 to review the proposals that had been received. They will make recommendations at the July 5, 2007 meeting

Adjournment

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

Submitted by Susan E. Long
Recording Secretary