

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

September 5, 2007

The Penn Township Municipal Authority (Authority) met on Wednesday, September 5, 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
Irene Graybill, Executive Secretary, Assistant Secretary, and Assistant Treasurer
Henry Holman, Jr.

Professional staff present:

Dennis Shatto, Cleckner & Fearen, Solicitor

Authority staff present:

Susan Long, Billing Clerk, Treasurer, and Recording Secretary

Visitors present:

Franklin Reidlinger
Barry and Linda Rice
Robert Shaffer, Sr.

Minutes

After discussion, and upon a Wright/Knaub motion, the Authority voted unanimously to approve the August 1, 2007 minutes as presented.

Presentation of Plaque – Chairman Holman presented plaques to Robert Shaffer and Franklin Reidlinger in recognition of their devoted service as former members of the Authority. He noted that Mr. Reidlinger had ten years of service and that Mr. Shaffer had 20 years of service.

Mr. Shaffer stated that it was an honor and a privilege to serve Penn Township and that he tried to use his forty years of professional experience for its benefit. Mr. Reidlinger thanked the Authority for its recognition and noted that he had served in three elected positions and had amassed over thirty one years as a volunteer for the Township. He stated that he was glad to see that new Authority members are stepping up to the plate to make the decisions that need to be made.

Visitors

Franklin Reidlinger

Mr. Reidlinger was present to discuss his two properties on State Road that are in Phase 2 of the connection process for the sanitary sewer. He noted that he has also been in contact with the Penn Township Board of Supervisors (PTS). He stated that no one lives in either the house or the trailer and no sewage is being discharged. Regarding the trailer, he stated that he is in the process of removing it and is unsure whether or not he would install a replacement. He noted that the PTS would issue a building permit for a replacement, which would require connection to the sanitary sewer. Regarding the house, he stated that there is no water or electrical service and that it is being used for storage. He invited the Authority to inspect it for verification.

Irene noted that Mr. Reidlinger had paid tapping fees for several properties and asked if he had paid one for the trailer. He replied that he had purchased tapping fees for his two properties on Firehouse Road, along with fees for the house and trailer on State Road. Chairman Holman noted that the grinder pumps could be removed if the properties are not going to be connected, with Mr. Reidlinger replying that he would help Authority staff remove them. Irene asked him if he wished the Authority to keep the tapping fees in case he eventually connected the two properties. She explained that, if the fees were returned, new tapping fees of \$3,500 would need to be charged when the properties are connected. Mr. Reidlinger asked that the fees be kept by the Authority.

Chairman Holman thanked Mr. Reidlinger for his attendance and asked that he keep the Authority informed of the status of both properties.

Barry and Linda Rice, 1107 State Road

Mr. Rice stated that he connected to the sanitary sewer after receiving a connection notice in December 2006, and that he spent \$5,000 to connect. He stated his frustration that, eight months later, his neighbor's sewage at 1109 State Road is still running down the street. In addition, the property was sold with the new owners moving in today. He questioned how the property could be sold without either the old or the new owner connecting to the sewer.

The Solicitor explained the process that the PTS and Authority must follow to enforce the Township's connection ordinance. He noted that, after time extensions have expired, owners will be cited with the District Judge for violation of the ordinance, with the maximum fines allowable being requested. Ultimately, liens could be placed on the properties or a contractor could be used to physically connect them. He stated that all properties will be connected at some time.

Mr. Rice again asked how a property could be sold without connecting to the sewer. The Solicitor stated that the issue was between the buyer and seller and the Authority has no control over it. He offered his opinion that the seller was obligated to inform the buyer of the status of the sewer. He stated that the property will have to connect, no matter who owns it. Susan stated that she would find out who the new owner is, to see if the tapping fee was escrowed at settlement.

Irene explained that the process to enforce connections can take a long time. Chairman Holman agreed that it is not fair to Mr. Rice and concurred about the length of due process. He stated that the Authority's goal was to have all properties connected by the end of the year. He thanked Mr. Rice for connecting and told him that the Authority would check on the sales procedure for the property at 1109 State Road and get back to him.

Chairman Holman suggested that the Operator and Inspector might be able to take note of properties for sale and forward the information to Irene. She could then contact the realtors to make clear that the property must be connected to the sewer as part of the settlement.

Plant Operator's Report See written report for September

The Operator was on an emergency grinder pump service call and was not in attendance. The following items were discussed.

DMRs (See written Discharge Monitoring Reports dated July 2007). The DMRs were reviewed with the note that the average influent BOD level for the Cove Wastewater Treatment Plant (WWTP) was 303 mg/l, above the design threshold of 240 mg/l. Susan will ask the Operator if the 303 mg/l is high enough to trigger BOD sampling.

Duncannon Collection System – Henry reported that he had finished repairs to the generator radiator at the Lower Duncannon pump station.

Sunshine Hill Water System – Chairman Holman noted that the Operator is continuing his search for the source of the water leak on Sunshine Hill. It was noted that an emergency PA One Call had been issued that morning for one of the residences, but it was not known if the problem was related to the water leak.

Kinkora WWTP – The Operator asked to be informed if the Authority would like to have Wm. Hill Associates conduct its annual inspection of the Kinkora and Cove WWTPs. It was not known what the cost would be. Chairman Holman asked that the discussion be tabled until the October meeting. Susan will research previous costs.

Henry reported that the fluctuations in daily flow at the Kinkora WWTP, from a low of 3,000 gpd to a high of 9,100 gpd have abruptly ceased and the flows have stabilized.

Cove WWTP – Discussion was held on additional odor abatement methods that could be tried. Lee noted that the Operator would like to try the chlorine injection discussed at the August meeting. He also noted that the Operator had visited the South Middleton Township WWTP to talk to its operator. Henry explained that the South Middleton operator provided suggestions and is also willing to visit the Cove WWTP to offer assistance. Lee noted that electric costs have jumped almost \$600 per month for fans to keep the air circulating, money that could be used to try alternate solutions.

Inspector's Report See Inspector's Report for August 2007

The Inspector was on an emergency grinder pump service call and was not in attendance. The following items were discussed.

Kinkora WWTP - Chairman Holman noted that a mandril test of the newly-installed sewer lateral extension will be completed by the developer in the future. Henry noted that the UCC inspector is satisfied with the pressure testing and test reports of the lines to-date.

Susquenita School District (District) – Lee and Elmer reported that they have provided dates to the Inspector to meet with District representatives and discuss the amount of developer's refund involved due to the District increasing the size of its collection system to accommodate the Authority's request.

Penn Township Supervisor (PTS) Report

Henry compared the Township with the Authority in that both have a tremendous need to keep costs down so that taxes and rates do not need to be increased. Citing engineering costs as an example, he provided examples of how some work provided by the Township engineer is available from other sources at no cost. The cost savings can then be used toward capital expenditures. He urged the Authority to consider cost-saving measures when it selects an engineering firm.

It was then discussed that an engineer would be needed for compiling the Chapter 94 and flow analysis reports, and on an as-needed basis for other work, where most fees could be passed back to the developers.

Solicitor's Report See written report dated August 31, 2007

Water Street Arbitration – The Solicitor noted that the PA Supreme Court's has declined the Authority's appeal. He stated that a benefit of the decision is that the Authority now knows the time frame for filing appropriate appeals. He offered his hope that current negotiations with Duncannon Borough (Borough) will settle the Water Street issue and an arbitration hearing will not be needed.

Tubby's Grease Trap Agreement – The Solicitor reported that Joe Roberts, the owner of Tubby's, said he has previously signed three grease trap agreements. Mr. Roberts has agreed to provide another signed agreement to the Solicitor as soon as he returns from vacation this week. If it is not received, the Solicitor will move forward with further action.

Water Meter Vault Insurance – The Solicitor noted that the Borough would like a copy of the insurance policy and rider that covers the water meter in the meter vault. He noted that, while the Authority owns the vault, the Borough owns the meter. He cautioned that the Authority does not have an "insurable interest" in the meter. He suggested that, if the Authority chooses to insure the meter, the insurance company should be told that the Authority does not own it. The Solicitor stated that nothing in the PUC order gives the Authority the responsibility to provide insurance for the meter. He stated his recommendation that the vault itself should be insured.

Lee asked about the Authority's liability if someone gets hurt while in the vault. The Solicitor suggested that Irene contact H. A. Thomson to see if the vault is covered and if liability insurance is included and to inform them that a Borough-owned meter is inside.

Irene will contact the Borough and remind them that the meter is theirs. She stated that Dan Rapp had been invited to come to the meeting to discuss the issue. Chairman Holman stated that, if Mr. Rapp still has questions he should come to the next meeting for resolution.

Henry stated that the Borough accepted the vault the way it was and there was no prior requirement to insure the water meter. He offered that he was against insuring it, no matter how small the cost.

Phase One Non-Connected Properties – The Solicitor reported that he had prepared a prototype complaint to be filed with the District Judge (DJ) for citation of phase one property owners who are in violation of the connection ordinance. He stated that the Authority can not file against Grover Kisner, who has filed for bankruptcy, but can file against Kirk Vanier and Sam Smith. Chairman Holman reported on his conversation with Brian Parrish and said that he requested a "drop-dead" date for connection. He referred to correspondence from Mr. Parrish stating that he would be connected by Friday, September 14. After discussion, it was the consensus that Irene would file against Mr. Parrish with the DJ on Monday, September 17 if not connected.

The Solicitor asked if filings against Mr. Vanier and Mr. Smith should wait until September 17. Irene stated that she will file against them on Friday, September 7. The Solicitor explained that his complaint form asks the DJ to impose the maximum allowable fine of \$1,000 per day. He suggested that, if Mr. Smith or Mr. Vanier request a hearing, he should attend the first time to explain the connection process to the DJ.

Delinquent Tapping Fee Installment Payments – Lee questioned a filing fee included with the Solicitor's monthly bill. The Solicitor explained that he had filed liens against property owners who have defaulted on their agreements for installment payment of their tapping fees. He stated that the \$19.31 fee per lien would be added back into their installment payment schedule.

Lee asked if the Solicitor's fee for the leining process could be recouped. The Solicitor stated that, at the present time it could not, but could possibly be included as part of the terms for future agreements.

Henry asked if DJ costs could be recouped. The Solicitor responded that DJ costs incurred as a result of an ordinance violation typically are not recouped, but costs to collect delinquent rental costs are. He then noted that an Authority resolution allows Solicitor's fees to collect delinquent rental charges to be recouped.

Phase Two Non-Connected Properties – A list of remaining phase two property owners who have no more time extensions was reviewed. It was noted that the Township solicitor had notified them with a September 1, 2007 deadline and they have still not connected.

It was also noted that there are two dwellings on the Sharar property and that prior discussion showed that they were both within 150' of the sewer main.

Discussion was held on properties with grinder pumps but no water or electric service. Chairman Holman offered that these property owners should be asked to sign a reservation of capacity (ROC) agreement, which applies only to unimproved properties. This agreement would guarantee the property owners of capacity in the WWTP when they are ready to connect. He suggested that a deadline of January 1, 2008 be given for signing a ROC agreement. He also offered that, if no ROC is signed and the grinder pump is pulled, the owner would be responsible to pay the cost to have it re-installed.

Dino's Grille was discussed, with the note that a grinder pump was installed on the property. The Solicitor will contact the owner of Dino's Grille to see if water and electric service is supplied to the property. If it is, he will be informed of the need to connect. If there is no service, the owner will be requested to sign a ROC agreement to ensure that capacity is available to him in the future.

In regard to Mr. Reidlinger's property, he will be contacted to see if he would be interested in entering into a ROC agreement by January 1. The Solicitor will notify all other property owners of the need to connect immediately. Susan will provide the Solicitor with the current addresses and connection statuses for his letter.

Irene asked how many EDUs Dino's Grille would be charged. She offered that the Authority appears to have discontinued its past practice of basing EDUs on the number of seats and bathrooms. Chairman Holman offered his opinion that monitoring water usage is the fairest way to determine EDUs. Lee asked how the initial amount would be determined, with Chairman Holman responding that the Authority could charge for one EDU at the beginning and adjust the charge upwards as need dictates. The initial charge could also be based on the developer's prediction.

Billing Clerk's Report

Cove Centre – Susan asked if the Deed of Dedication for Cove Centre has been recorded and was told that it had. She then asked if the owner of the adjacent Linsbach property should be sent a notice-to connect from the Township. Chairman Holman responded that the Inspector was to have measured the distance from the property to the connection point. Susan stated that was done and thought the distance was within the 150' requirement. She said she would check with the Inspector and, if it was, would notify the Township to send the notice.

Irene asked if Mr. Linsbach would have to enter onto Cove Centre property. It was noted that, according to the Inspector at the previous meeting, the Authority will have a right-of-way across the length of the Cove Centre property once the Deed of Dedication was recorded.

Delinquent Accounts – Susan presented a list of accounts delinquent as of August 31, 2007, along with notations on who is making payments on their account. For customers who had previously been issued a judgment by the DJ and still have not made payment, Irene stated that she took those judgements back to the DJ for his signature, after which she took them to the Country Prothonotary for recording liens against the properties. Irene stated that she paid the \$97.80 filing costs out of personal funds and will ask for a reimbursement. She stated that the Sheriff will begin the process of selling the property if the delinquent account is not paid within a certain time. The Solicitor noted that the filing costs will be recouped from the account owners. He asked to be notified when the accounts are made current so that the judgments can be removed.

Chairman Holman stated that he would talk to Brian Parrish about his delinquent ready-to-serve charges. He also noted that the Authority has established a policy that any account that is in arrears in excess of \$250 will be turned in for collection. He offered that collection should be done automatically every month, without the need for discussion.

Discussion on a procedure for turning off the water service of delinquent sewer accounts was tabled until the October meeting. Members were also asked to consider how high a delinquent water account should go before it gets turned in for collection.

Sheetz Car Wash – Susan provided an update on the Sheetz Car Wash water usage for the three months since it enacted water conservation measures. She noted that the August water usage was the second highest since the car wash opened. With the purchase of ten additional EDUs in June, the car wash has an allowed usage of 675,250 gallons per year. However, the actual usage for the 12-month period ending August 31 was 1,083,000 gallons. This excess of 407,750 gallons is the equivalent of 7.45 EDUs at an EDU rate of 150 gallons per day. Irene was requested to send Sheetz Car Wash a letter saying that additional EDUs are needed and inviting them to the October meeting if they have questions.

Mutzabaugh's Market – It was noted that the water usage of Mutzabaugh's Market continues to exceed the amount purchased, even though his monthly usage is declining. Irene was requested to send Mr. Mutzabaugh a letter telling him of the need to purchase additional EDUs.

Treasurer's Report

PennVest Principal for Perdix Construction – Susan noted that PennVest will be deducting principal payments in the amount of \$15,675.15 starting September 1, instead of November 1 as planned. She noted that only \$32,000 had been budgeted for principal payments, and the early commencement of payments will result in an approximate under-budgeted amount of \$32,000. She added that it appears that a sufficient amount was budgeted for interest.

Invoices and Expenditures – After discussion, there was a Wright/Holman motion to approve payment of the August 31, 2007 invoices totaling \$27,964.37. Motion passed by unanimous vote of the Authority.

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

Incoming Correspondence

A list of all correspondence can be found on the September 5, 2007 agenda.

PennVest Letter dated August 24, 2007 – Lee stated that, now that PennVest is starting to collect the interest on the new PennVest loan, he will contact Don Lavine for completion of the final documents so that the Authority can receive the payments being held back.

Old Business

Proposals for Engineering Services – Discussion was held on engineering services, to include flow analysis studies, the annual Chapter 94 reports, and as-needed services. Elmer again recommended that a firm with experience in small communities be retained. It was the consensus to continue discussion on selection of an engineering firm at the October meeting, with the November meeting as the deadline for selection.

Susan was requested to provide the costs of previous Chapter 94 reports and the flow analysis study for the October meeting.

New Business

2008 Budget - Chairman Holman asked the budget committee members to begin thinking about anticipated revenues and expenses for 2008, with the goal of starting meetings by the second week of October. He reminded the Authority that the budget needs to be adopted by the end of year.

Parts Inventory for Low-Pressure System – Henry noted that the Operator and Inspector were currently working with a contractor to repair a leak in the low-pressure system. He stated that there are very few local plumbers with the parts needed to work on this type of system and stressed that the Authority should stockpile repair parts. He added that, with the proper parts on hand, he could donate his equipment and time, to help with future repairs. Chairman Holman agreed that this is not an ordinary system, and the Authority needs to know how to repair and maintain it and where to obtain the parts.

Adjournment

With all business completed, a Holman Jr./Knaub motion for adjournment was made at 9:45 p.m. Motion passed by unanimous vote.

Submitted by Susan E. Long
Recording Secretary