

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

December 5, 2007

The Penn Township Municipal Authority (Authority) met on Wednesday, December 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, Assistant Secretary/Assistant Treasurer

Professional staff present:

None

Authority staff present:

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

Visitors present:

Bentz Tozer
Jodi Rissinger
Mike Conrad

Minutes

Upon a Wright/Knaub motion, the Authority voted unanimously to approve the November 7, 2007 minutes as revised.

Visitors

Bentz Tozer

Mr. Tozer stated that he was in negotiations with Dollar General to lease the addition to its building for a fitness center. He said that he anticipated two changing rooms, with toilets, sinks, and showers on each side. He stated that he was present to find out if there were any limitations on the available sewer capacity and added that he can not anticipate how much future usage he might need. Chairman Holman explained that the Authority installs water meters in businesses to bill for sewer usage, on the rationale that what comes out of the faucets goes down into the sanitary sewer. He stated that he had no knowledge of how the internal sewer line for the addition ties into Dollar General's line. Irene recommended that the fitness center have its own water meter, since it is a separate business from Dollar General, with Chairman Holman in agreement.

Chairman Holman stated that the line is already accepting more flow than it was built for, although there has not been a capacity problem up to this point. The Operator stated there is capacity at the Cove Wastewater Treatment Plant (WWTP) and that the existing grinder pump can handle the flow. As far as capacity in the line, the Operator recommended that the Engineer research the size of the line, the existing flow, and the reserved capacity that has been purchased. He added that he did not feel one additional EDU would be a problem but there would be a limit to how much additional capacity the line can handle. He stated that there is another line on the other side of the building

with unlimited capacity. This line would need to be constructed in order to connect to the low-pressure main on Burley Road.

Mr. Tozer asked what the cost would be for the Engineer to evaluate the capacity in the existing line. Chairman Holman estimated that it might be around \$1,000. He then informed Mr. Tozer that, if he wished to continue with the project, the building's owner would need to create an escrow account, which will be used to pay the engineering fees for the evaluative study. The results of the study will show whether the project is feasible.

Jodi Rissinger, Perdix Fire Company (PFC)

Ms. Rissinger read several motions from the minutes of the March 2004 Authority meeting in which the tapping fee, inspection fee, and monthly sewer rental charges were waived for the fire station, and no reimbursement for a right-of-way (ROW) access would be paid to the PFC. She stated her understanding that the chairman of the Penn Township Supervisors (PTS) was going to make a proposal tonight to rescind those actions. This is because the PTS on November 28, 2007 approved an increase of \$1,000 to the PFC to cover the sewer rental because the PTS felt that the Authority needed the additional sewer revenue.

Ms. Rissinger stated that she did not see anything on this evening's agenda to discuss this proposal. She asked what will happen with the reimbursement for the ROW access if the motion is rescinded. She asked the Authority to bear in mind that the PFC was very lenient in allowing the contractor to use PFC land as a staging area during the sewer construction.

Chairman Holman stated that he can understand the PTS's intention in that every EDU in revenue is important to the Authority, in an attempt to keep rates from rising. He stated that he also understood where the PFC was coming from. He explained that it was not on the agenda because the Authority had not been officially informed of the PTS's action. He added that the chairman of the PTS was not in attendance to explain the PTS's proposal.

Ms. Rissinger stated that the PFC would like clarification on whether the waiver of the tapping fee and inspection fee is rescinded, and what will happen to the ROW reimbursement. Chairman Holman stated that further discussion on the issue will be tabled until the January meeting when more information is available. Ms. Rissinger asked to be contacted if the issue is on the agenda for the January meeting. Irene was provided with her phone number.

Mike Conrad

Mr. Conrad stated that he received a letter about connecting the PFC fire station house to the sanitary sewer. He stated that the PFC has secured a contractor to do the work but he was waiting for the inclement weather to end before he started. He added that the septic tank is being pumped every month. Ms. Rissinger added that it is PFC's intention to connect, but did not see the urgency because the septic tank was pumped on a regular basis and, since the fees had been waived, the Authority wasn't losing money.

Chairman Holman stated that the PFC was no different than any other connection. He stated that the Authority was willing to work with the PFC, but did not want to see the connection drag out into the spring. He requested that the PFC send a letter by the end of December with its timeframe for connection and if connection can not be done by January 2, 2008 the Authority would want to know why.

Chairman Holman stated that a water meter should be installed to measure usage and provide information as to the amount of flow entering the Cove WWTP. He told Mr. Conrad that the PFC could install a deduct meter for water that might be used outside the fire station house and that did not enter the sanitary sewer.

Solicitor's Report (via Telephone Conference Call)

Intermunicipal Agreement (IA) – The Solicitor reported that he had been contacted by Linus Fenicle, counsel for Duncannon Borough (Borough) but had received no comments about the draft IA from the Borough Sewer Authority. He stated that several of the exhibits, such as the connection points and capacity points, that are part of the current IA will need to be updated for the new IA.

Chairman Holman stated that he will schedule a meeting with the Borough Sewer Authority to discuss the IA and will let the Solicitor know the date. He added that the goal is to have it finalized for PTS approval at its December 26, 2007 meeting.

2008 Meeting Schedule – The Solicitor recommended that the meeting schedule for 2008 be set this evening, particularly the date for the January 2008 meeting, which needs to be advertised three days prior to the meeting. He noted that he thought the Township secretary usually advertises all the Township meetings.

Phase Two Non-Connection Updates

Donna Dawson, 1003 State Road – The Solicitor stated that he received a call from Mrs. Dawson's son, who asked why she was being told to connect her property to the sanitary sewer when it was already connected. The Solicitor told Mr. Dawson to forward documentation showing the connection date, which has not yet been done. Chairman Holman stated that he and the Inspector will perform a site visit.

Louis Beemer – 1432 State Road – The Solicitor has received notice from Mr. Beemer that this house is in the process of restoration and the interior has been gutted. Mr. Beemer has requested until spring 2008 to connect the property. The Solicitor stated he did not know if the Authority would want to send Mr. Beemer a Reservation of Capacity invoice or perform a site visit to verify that the building is gutted. Chairman Holman stated that a site visit would be performed as it did not make sense to have Reservation of Capacity if there is running water available. Ms. Rissinger then stated that, according to her information, the property is indeed gutted. It was then the consensus to have the Solicitor inform Mr. Beemer that he needed to pay either a \$300 annual ROC charge or a \$70 monthly ready-to-serve (RTS) charge. It was noted that the previous owner had paid the tapping fee for the property.

Chad Smith – 1109 State Road – The Solicitor stated that funds were set aside at the closing for this property and that Mr. Smith has obtained a connection permit and is aware of the need to connect as soon as possible. The Solicitor stated that he is having trouble getting a time frame for connection from Mr. Smith. The Solicitor was instructed to send Mr. Smith a letter informing him that he had until the end of December to connect or be turned in for violation of the connection ordinance.

Patrick Fasnacht – 1038A/C State Road – The Solicitor reported that Mr. Fasnacht appeared to be more concerned about whether there was uniform enforcement of the connection ordinance than he was about connecting. The Inspector noted that there is some confusion over the numbering of Mr. Fasnacht's properties, leading him to think that there is an apartment on one of the properties. Chairman Holman and the Inspector will perform a site visit to ascertain the number of connections and tapping fees that are needed and will forward the information to the Solicitor.

George Sheaffer – 12 Railroad Street – The Solicitor reported that Mr. Sheaffer is claiming that there is no house on 12 Railroad Street to be connected. The Inspector verified that there is no building on 12 Railroad Street and that the property was deeded over to a daughter. There is confusion in that Mr. Sheaffer's address on the tax rolls is listed as 12 Railroad Street but the parcel number is for Firehouse Road. The Inspector noted that there is a grinder pump installed on the Firehouse Road property and a trailer is installed there. Chairman Holman and the Inspector will perform a site visit and verify which property is inhabited and where a grinder pump is installed.

Violation of Connection Ordinance – Discussion was held on the pros/cons of filing for \$1,000 every day when the connection ordinance is violated. Irene stated that she has no problem in filing every day, if that is the Authority's wishes, but the Authority will need the fortitude to sheriff's sale the affected properties if the fine does not force the connection. She offered that it is pointless to keep filing without a follow-through. Lee agreed that the Authority will reach the point where it will need to make the decision to sheriff's sale some of the properties. Chairman Holman concurred, adding that it is not fair to those residents who are connected to allow others not to connect. He suggested that the Authority stand fast at the moment and file for a sheriff's sale against all of them at the point when there is no other action that can be taken.

Regarding the necessity of filing every day, Lee offered his understanding that, once the District Judge set the amount at \$1,000 per day, it was automatic and did not need to be re-filed every day.

Plant Operator's Report See written report for November.

DMRs (See written Discharge Monitoring Reports dated October 2007.) The DMRs were reviewed with the note that the average ammonia level for the Cove WWTP was 2.75 mg/l, with an allowable limit of 2 mg/l. He stated that he could come up with no reason for the high reading and suggested that it was possibly a laboratory error. He also noted that the influent BOD level for the Cove Wastewater Treatment Plant (WWTP) was 201 mg/l, below the design threshold of 240 mg/l. He then alerted the Authority that the preliminary lab report for November 2007 shows a high influent BOD level and that he and the Inspector will try to do BOD sampling within the next few weeks.

DEP Permits – The Operator reported that the DEP permit for Kinkora WWTP will expire November 1, 2008 and will expire for Cove WWTP on December 1, 2008. He stated that the Authority will need to start the reapplication process in June 2008, and the he will check if the Authority can use the short application form.

Sunshine Hill Water System – The Operator reported that the water line flushing scheduled for earlier in the day was cancelled due to the concern of the water freezing on the roads.

Cove WWTP Odor Problem – The Operator reported that he has been in contact with the company that will provide an injection pump and catalyst at no charge on a trial basis, to see if it helps reduce the odor problem at the Cove WWTP. He stated that he will need to provide the level of sulfide concentration in each line and Microbac Laboratories can not provide that testing. He asked for permission to take the samples to Analytical Laboratories. It was the consensus to authorize the use of Analytical Laboratories if the cost is \$300 or less. If more than \$300, the Operator will contact the members by phone poll for further instructions.

Lee reported that he had been in contact with Don Lavine of the ARRO Group, who offered to provide input for the odor problem at no cost.

Cove WWTP

Chemical Costs – The Operator informed the Authority that he can think of no way to reduce chemical costs. He stated that he will ask Bill Hill for suggestions on operating procedure changes that could be made.

Grinder Pump/Control Box – The Operator reported that Sheetz provided the Inspector with its old grinder pump and control box when it installed the new duplex grinder pump.

Cove Pump Station – The Operator reported that a new engine block heater was purchased for, and installed at, the Cove pump station.

Kinkora WWTP – The Operator requested that Chairman Holman schedule a time to visit the Kinkora WWTP to look at the deterioration of the grating. He stated that there is also a problem with leaves entering the WWTP through the grating and will investigate the installation of netting as a preventative measure. The Operator then reported that mud wasps built a nest in the Kinkora generator, ruining the alternator. He stated that the Inspector and he purchased a new one at Valley Ag and Turf.

Inspector's Report See Inspector's Report for November 2007.

Master Meter Reports – The Master Meter reports were reviewed with the note that no readings appeared to be out of the ordinary.

Petersburg Commons Water Meter Vault – The Inspector reported that water was pumped out of the meter vault at the request of the Borough. Chairman Holman asked if it was infiltration or condensate, with the Inspector responding that he can not say it is condensate. Lee offered that he felt the contractor should be sent a letter to alert it to water infiltration in the vault. Chairman Holman noted that there is a back flow preventer with a drain on the bottom of the vault and offered that it might be hard to distinguish between infiltration or a blow-out of the preventer. Chairman Holman noted that there is still time before the warranty period expires. He requested that the Inspector put a bucket under the backflow preventer to see if it is leaking, before the contractor is contacted.

Reclassification of Inspector - Chairman Holman asked if the title of "Inspector" is a fair description of the work performed. The Inspector stated that he has questioned the use of "Inspector" since the Uniform Construction Code came into law and he no longer does most of the inspections he used to perform. He stated that he only inspects grease traps and connections between the curb or grinder pump and the Authority's main.

Chairman Holman asked the members to consider other titles for this position and asked that the subject be put on January's agenda for further discussion.

Susquenita School District (District) – Discussion was held on the proposal received from the District regarding the interest due to the District on the developer's reimbursement. The District has agreed to accept the Authority's offer of \$8,699.99 simple interest as settlement of this matter, if the Authority is willing to agree that this payment is made as a final settlement agreement with the District. In addition, the Authority would agree to eliminate all other financial claims it may have against the District, and the District will eliminate all other financial claims it may have against the Authority.

Lee explained that acceptance of the proposal would mean that the Authority can not request reimbursement of \$3,290.00, plus interest, for engineering fees incurred to relocate the sanitary sewer easement as a result of construction at the elementary school. In addition, the Authority can not request payment of \$1,270.08, plus interest, for a BOD surcharge due from the District in 2005.

Lee stated that the District had maintained that the Authority owed compound interest in the amount of \$10,586.89. That compares with the approximate \$4,600.00, plus interest, owed by the District. He stated that the Authority needs to decide if it is worth the difference to settle, and asked if there is something the Authority would like to see in exchange for dropping the engineering fees and BOD surcharge. The Inspector suggested that the Authority could ask for a ROW between the Dale Ward property and Schoolhouse Road, and for an additional ROW between paper street Valley Road and Kinsey Road.

After discussion, there was a Knaub/Wright motion to pay the District a simple interest payment amount of \$8,699.99 owed on the developer's refund. In addition, the Authority will forgive the \$1,279.08 BOD surcharge, plus interest, from January 31, 2005 and the \$3,290.00, plus interest, for engineering fees incurred as a result of the relocation of the sewer easement due to construction at the elementary school in exchange for a thirty-foot ROW from the Dale Ward property to Schoolhouse Road and a thirty-foot ROW from MH-SHA17 to the Township ROW on Kinsey Road. Motion passed by unanimous vote of the Authority.

Irene asked if the Solicitor was going to write the letter to the District, informing it of the Authority's decision. Lee stated it probably should since he was the one who had calculated the charges, with Irene stating that it would be more official coming from the Solicitor.

2008 Budget

The proposed 2008 budget was reviewed. Elmer noted the expenses over revenues amount of \$27,000.00 and also noted the deficits in the Kinkora and Cove budgets. The Treasurer explained that the Cove deficit is a result of principal payments for the PennVest loan. She added that the budget committee took a worst-case scenario, and that revenues might be understated and expenses overstated. Lee noted that uncollectibles were factored into the projected revenue. Lee also noted that the Treasurer is using her personal computer in the office and that he had requested the value of the computer should be added into the Capital Reserve Budget for reimbursement to the Treasurer. The Inspector noted that money has been budgeted for an audit and asked if the procedures currently being performed by Klingler & Associates could be used in place of the audit. He was informed that an audit of the 2007 finances was not part of the work being performed by Klingler & Associates and a separate audit would be required. Chairman Holman noted that the amount owed in delinquent accounts, if collected, could reduce the deficit to a large extent.

After discussion, there was a Knaub/Wright motion to adopt the 2008 budget as presented, with the note that there would be no increase in sewer and water rates. Motion passed by unanimous vote of the Authority.

Penn Township Supervisor (PTS) Report

Due to the absence of Henry Holman, Jr. there was no PTS report.

Billing Clerk's Report

Delinquent Accounts – Susan presented a list of accounts delinquent as of November 30, 2007 along with notations on who has been turned in to the District Judge for collection and who needs to be turned in. The list of delinquent accounts was then reviewed on a case-by-case basis. After discussion, it was the consensus that Irene would send letters to all delinquent customers, giving them until December 31, 2007 to pay substantial amounts on their accounts or they will be turned in for collection or have liens filed against their property with the Prothonotary. For the customer owing over \$2,600.00, Irene will check with the Solicitor whether a letter can be sent informing him that the debt must be paid by December 31, 2007 or the matter will be turned over to the Perry County Sheriff.

Irene presented a draft of a letter she will send to those customers who are on the installment plan for their tapping fees and who have not been making payments. The letter will inform them of the Authority's policy of turning in for collection any customer who is delinquent in the amount of \$250.00 and ask them to make their account current. She added that the Solicitor had reviewed the letter.

Motion to Extend Meeting

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

Treasurer's Report

Invoices and Expenditures – After discussion, there was a Wright/Knaub motion to approve payment of the November 30, 2007 invoices totaling \$85,056.41. Motion passed by unanimous vote of the Authority.

Cell Phone Plan – Lee noted that the reimbursements for cell phone usage totaled \$100 and felt that the Authority could get a plan with unlimited usage and save \$600.00 a year if it supplied cell phones to the Inspector and Operator. The item will be discussed further at the January 2008 meeting.

Financial Report – After review, there was a Wright/Knaub motion to approve the financial report covering the period November 1 through November 30, 2007, subject to audit. Motion passed by unanimous vote of the Authority.

Phase One, Two, and Three Connection Update – Susan reported that there were no additional connections during the month of November.

Incoming Correspondence

A list of all correspondence can be found on the December 5, 2007 agenda. The following correspondence was discussed.

DEP Letter dated December 4, 2007 – Irene noted that DEP has issued the Project Performance Certification for the PennVest-funded Perdix and Lower Cove Sewer Project.

DEP Letter dated November 15, 2007 – Elmer reported that, according to Mr. Shaull, an engineer report is not needed for the final permit for the Petersburg Commons water meter vault. The Operator will be given the necessary paperwork to fill out and Chairman Holman will sign it if required.

PennVest Loan Refinancing – Elmer stated that he talked to Vickie Johnson at PennVest concerning a customer's inquiry over refinancing the loan for the Perdix and Lower Cove Sewer Project. He relayed that PennVest loans are rarely re-written, although there have been cases where the interest has been postponed, but never the principal. Chairman Holman noted that postponing the interest only drags the loan out longer than the current 30-year payment schedule. Elmer recommended that re-financing not be pursued.

PTS Letter dated November 14, 2007 – A letter from the PTS Secretary was discussed, which stated that Irene's term on the Authority is due to expire on December 31, 2007 and requested a recommendation for the vacant position. Lee suggested that Robert Shaffer would be an excellent person to recommend for the position. After discussion centering around the fact that the PTS has not followed the Authority's recommendation for the past several years, there was a

Knaub/Wright motion to re-appoint Irene to the Authority. Motion passed by unanimous vote of the Authority. Irene will send a letter to the PTS, informing it of the Authority's decision.

PUC Notice Dated November 21, 2007 – Discussion was held on the application to the PUC by United Waste Water Pennsylvania (UWPA) to acquire the water system at Business Campus One (BCO) and to supply water to the public in a portion of Penn Township. Lee stated that he felt the Authority should notify the PUC that what UWPA is requesting is outside the boundaries of BCO. Chairman Holman explained that UWPA wishes to supply water to Mutzabaugh's Market and the adjoining parcel down to Pee Wee Lane. Elmer stated that the Authority previously was not interested in serving that area. Lee responded that the Authority should not give up the right to serve it if it wants to sometime in the future. Chairman Holman agreed that he felt the Authority should notify the PUC with its concerns. Lee noted that the PTS had sent a letter to the Authority listing its concerns over the acquisition and requesting the Authority to so notify the PUC.

Elmer said that, as a private company, UWPA does not have the regulatory authority to require a connection. Lee responded that, if UWPA takes territory outside of BCO, the Authority can not, for example, have Mutzabaugh's Market as a future water customer. Elmer stated that the Authority does not have water service in that area. Lee responded that, at some time in the future, it might. Chairman Holman agreed that the Authority does not want to lose the options currently available. Elmer stated that the Authority did not want to take the financial risks to serve that area. Chairman Holman clarified that the Authority did not want to take the financial risks to serve BCO, and nothing else was discussed.

After discussion, there was a Wright/Holman III motion to send a letter to the PUC expressing concern that the territory being requested by UWPA is outside the scope of BCO and incorporating the concerns of the PTS. Motion passed by unanimous vote of the Authority. Lee will contact the Solicitor informing him of the decision and requesting him to send the letter to the PUC.

Community Development Block Grant (CDBG) Application - Chairman Holman noted the receipt of the application for this years CDBG funding by the Perry County Commissioners. He and Lee suggested that the Authority again request funds to update the fire protection for Sunshine Hill. Elmer offered his opinion that the Authority should resolve the problems in Perdix before it undertakes any project in Sunshine Hill. He added that he is getting residents' feedback that they do not want the streets dug up. Chairman Holman replied that phase one of the project will not entail any construction under the street, but rather would entail replacement of the line going down to Butchershop Road. Elmer offered his opinion that the Authority will receive fewer responses this year than last. After discussion, it was the consensus that Lee would oversee the filing of the request for CDBG funding.

Grace Gallagher Complaint – Discussion was held on Ms. Gallagher's continuing complaint that her neighbors at 104 and 106 Firehouse Road have not connected to the sanitary sewer and have sewage running down the street, while she has been connected for months. Lee reported that he had talked to the Township sewage enforcement officer (SEO) who relayed that the owner of 104/106 Firehouse Road had until December 2, 2007 to connect, after which the SEO will file for violation of the connection ordinance with the District Judge.

Paul Barthel – Discussion was held on the letter from Paul Barthel stating that Beneficial Finance is the new owner of the property. Irene stated that she thinks the Solicitor has contacted Beneficial Finance. Chairman Holman asked Irene to check with the Solicitor and see what the status of the foreclosure is.

Outgoing Correspondence

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

Reservation of Capacity (ROC) Letters – Irene provided an update on those property owners who had been sent invoices in accordance with their ROC agreements, with respect to those who have and have not paid. After discussion, Irene was requested to send a letter to those owners who have not paid their ROC fee, explaining to them

that ROC guarantees them that capacity in the WWTP will be available when they finally develop their properties. If the ROC is not paid, the Authority can not guarantee that capacity will be available.

Susan noted that Rohrer Bus Service had not yet sent in its annual ROC fee. Irene will check to see if it was invoiced.

Old Business

Termination of Water Service of Delinquent Sewer Customers – Elmer stated that it would cost the Authority money to terminate water service of Borough customers because it would have to pay the Borough for the lost revenue. It was then explained that the Authority could pass that cost along to the customer with the delinquent sewer account. Chairman Holman reminded the Authority that it did not have to terminate water service, but in the event that it wanted to, an agreement with the Borough would need to be approved first. Further discussion was tabled until the January 2008 meeting.

New Business

All new business was discussed during the course of the evening.

Adjournment

With all business completed, a Graybill/Knaub motion for adjournment was made at 10:50 p.m. Motion passed by unanimous vote.

Submitted by Susan E. Long
Recording Secretary