

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

January 2, 2008

The Penn Township Municipal Authority (Authority) met on Wednesday, January 2, 2008 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

Irene Graybill, Assistant Secretary/Assistant Treasurer

Professional staff present:

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

Authority staff present:

Sam Auxt, Inspector

Edward Chism, Plant Operator

Susan Long, Billing Clerk, Treasurer, and Recording Secretary

Visitors present:

Warren Van Buskirk, Perry County Commissioner

Bill Hummel

John and Kris Fach

Gerry Stone

Stanley Mutzabaugh

Mike Conrad

Minutes

Upon a Wright/Graybill motion, the Authority voted unanimously to approve the December 5, 2007 minutes as presented.

Visitors

William Hummel

Mr. Hummel stated that he represents Ryan Fortenbaugh, who is considering subdividing the former Dersham property into five lots. He was in attendance this evening at the recommendation of the Penn Township Planning Commission. Mr. Hummel asked about ways that sewerage could be provided to the subdivision. He added that he could not project how many EDUs would result from the subdivision.

Chairman Holman informed Mr. Hummel that the Authority has a sewer line that ends approximately twenty to thirty feet from the southern edge of the Dersham property. He stated that the line has a 2-inch diameter, and offered his opinion that it would not be large enough to accommodate more than three or four additional EDUs. He noted that the Authority had performed a capacity study on the line and asked Irene to research the results of the study and forward the information to Mr. Hummel and himself.

It was briefly noted that the present infrastructure might not be watertight and would therefore need to be re-built to prevent I&I. This would need to be determined by an engineer.

The Solicitor offered that, if there is not sufficient capacity in the 2-inch line, it would need to be re-sized or a new line installed. The Inspector noted that the closest connection point to the property was the manhole located on

Schoolhouse Road, a distance of approximately one-half mile. Mr. Hummel asked if there were future plans for development to the north of the property and was told that the Authority was not aware of any at this time.

Mr. Hummel was told that information on the capacity of the current line would be forwarded to him. After that, if Mr. Fortenbaugh is still interested in proceeding, he should contact the Authority for further direction.

John and Kris Fach

Mr. Fach was present to discuss his sewer account. He explained that he has had financial problems and asked that he be given until January 11, 2008 to make his account current. It was the consensus to grant Mr. Fach's request, with the provision that Mr. Fach is to contact the Authority if he has any problem meeting his obligation.

Mike Conrad, Perdix Fire Company (PFC)

Mr. Conrad was present for discussion on the proposal made at the November 2007 Penn Township Supervisors (PTS) meeting that the Authority rescind its previous motion to waive monthly sewer rental fees for the PFC. Chairman Holman informed Mr. Conrad that the Authority has received no information from the PTS about that proposal and would not be discussing it this evening.

Plant Operator's Report There was no written report.

DMRs (See written Discharge Monitoring Reports dated November 2007.) The DMRs were reviewed with the note that the influent BOD level for the Cove Wastewater Treatment Plant (WWTP) was 479 mg/l, above the design threshold of 240 mg/l. He stated that he and the Inspector will try to conduct BOD sampling within the next few weeks. The Operator extended an invitation for Authority members to contact him at any time with questions.

DEP Kinkora WWTP Inspection – The Operator referred to a letter from DEP concerning its December 19, 2007 inspection of the Kinkora WWTP. He noted the violations of the NPDES permit that flow chart and sludge hauling records are incomplete for the past three and five years respectively and that maintenance logs are incomplete. He informed the Authority that he would provide DEP with the missing information where available.

Petersburg Commons Water Meter Vault – The Operator reported that he met with DEP representatives on site at the Petersburg Commons water meter vault on December 31, 2007. He relayed that DEP stated the vault has met all necessary requirements and that it would forward the resulting documentation after the beginning of the year.

Cove WWTP Odor Problem – The Operator reported that he would be testing the influent in the three lines to the Cove WWTP for sulfide concentration. He requested that Authority members meet with him on site for input into locations for the catalyst injection pumps. It was the consensus that interested members will meet at the Java Junction on January 12, 2008 at 9:00 a.m. Irene was requested to remind the members of the date and time.

Perdix Power Outage – The Operator reported no major problems with the Cove WWTP as a result of the recent two-day power outage. He offered that several grinder pumps did not re-start when the power came back on and that the WWTP generator did not automatically start when the power failed. He will check with the supplier as to the cause of the generator failure.

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

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

Duplex Grinder Pump Locations – The Inspector provided a list of duplex grinder pumps and their locations. Discussion on 1 and 15 Schoolhouse Road, and 1003 and 1038 State Road included how many EDUs were being billed and if multiple tapping fees were necessary. Chairman Holman and the Inspector will do further research into 1038 State Road to determine the number of dwelling units there are. Irene was alerted that the property at 1003 State Road is an apartment building and will need two tapping fees. Irene noted that there was a duplex grinder pump installed at the Edkins property on State Road. She stated that she only billed the owner for one EDU for reservation of capacity (ROC) and asked if it should have been two EDUs. It was clarified that duplex grinder pumps are

installed at all commercial locations and does not necessarily mean that multiple EDUs are needed. In this case, one EDU for ROC was sufficient.

Duncannon Family Medical Center – The Inspector reported that he has taken the initial water readings for the Medical Center. He noted that there are four units, each with its own water meter, and that the Medical Center is currently using three of them. He offered his opinion that, if the fourth unit is used in the future by a separate entity, an additional tap fee and EDU should be charged.

Irene stated that she has been asked by the developer when the escrow account would be released. Chairman Holman suggested that the escrow be held another month or two in case additional expenses are accrued. Susan will put release of the escrow on the "outstanding items" list.

Site Visit List – Included with the Inspector's report was a list of site visits made by Chairman Holman and himself. Chairman Holman stated that he would like to personally review the list at a later time.

Penn Township Supervisor's (PTS) Report

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

Solicitor's Report – See written report for December

Intermunicipal Agreement (IA) – The Solicitor reported that the most recent draft of the IA incorporates comments made as a result of the December 13, 2007 meeting. Chairman Holman requested that the Solicitor forward the draft to the chairman of the Duncannon Borough (Borough) Sewer Authority.

The Solicitor noted that he had received a list of sixteen additional suggestions from the solicitor for the Borough Sewer Authority. He was asked to email the members with his comments on the suggestions. Chairman Holman requested that the PTS be provided with a draft copy of the IA for its February meeting.

United Water Application for Water Service to Business Campus One (BCO) – The Solicitor explained that United Water had filed an application with the PUC for approval to acquire the BCO water system and for approval of a service territory. He stated that, as requested, he filed a protest with the PUC on behalf of the Authority because the proposed service area went beyond the confines of BCO. He continued that, while the Authority had no objection to United Water supplying water to BCO, it did not want United Water to acquire territory outside BCO since the Authority is also in the water business.

Chairman Holman explained to Stanley Mutzabaugh and Gerry Stone that the proposed service area included property owned by the Mutzabaugh family and partnership. He offered his understanding that United Water expanded its territory outside BCO to prevent the need to refile if at some later date an adjoining property would like to connect. He added that United Water would not have the power to require property owners to connect. Lee noted a letter from United Water in response to the protest and added that the Mutzabaugh property would not be required to connect to the water system.

Perry County Commissioner Warren Van Buskirk agreed, stating his understanding that water service would be offered, but property owners could "take it or leave it". Mr. Mutzabaugh stated that he had never received any notification from the PUC that United Water had filed the application. He added that his concern was whether he could drill a well if needed in the future. Gerry Stone asked if property owners could continue to drill wells, with Chairman Holman offering his understanding that could be done. Lee noted that the letter from United Water stated that "persons and businesses currently on well systems would have the right to continue to use wells as a water supply source." Commissioner Van Buskirk stated that the Perry County Economic Development Corporation and the county commissioners have been assured that United Water was not looking to force water connections of current or future owners, only to offer the supply of water as an option. Mr. Mutzabaugh was given a contact number for United Water for further clarification.

Chairman Holman stated that his concerns had been removed and he was prepared to move that the protest be rescinded. The Solicitor offered that it appears that the Authority's concerns have been addressed. There was a Holman/Wright motion to rescind the protest. Motion passed by unanimous vote of the Authority. The Solicitor will withdraw the protest.

Billing Clerk's Report

Delinquent Accounts – Susan presented a list of accounts delinquent as of December 31, 2007, with notes from Irene on who has made payments the past several days. After discussion, it was the consensus that Irene would send letters to all delinquent customers, giving them fifteen days to make their accounts current or they will be turned in for collection or have liens filed against their property with the Prothonotary. In addition, Irene will send a letter 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.

Paul Barthel Property – Irene stated that she has been in contact with the new owners for the Paul Barthel property. The new owners have stated that they will not be able to connect the property until February 18, 2008 and asked if they would need to pay the penalty for violation of the connection ordinance. Irene was requested to contact them and tell them that they would not need to pay the penalty, and that they would be given until February 19th to connect. The letter was also to request that they contact the Authority if anything prevents meeting the connection deadline.

Cell Phone Reimbursement Costs – As the Inspector was leaving, Lee noted that the Authority is paying \$100 per month in cell phone reimbursement for the Operator and Inspector and stated that there may be a monthly plan available for less than that amount. He asked the Inspector for his thoughts. The Inspector responded that he wanted to keep his cell phone and asked what the Authority wanted to pay him, in that he would be willing to charge the Authority the amount of the plan it wanted him to use. He added that the taxes and surcharges should be included with the amount suggested by the Authority. Chairman Holman stated that he would research available plans. Susan was requested to get an estimate of monthly minutes used by the Operator and Inspector.

Audit of Metered Sewer Customers – Susan presented the annual audit of non-residential customers comparing their water usage with EDUs purchased. She reported that, for the past twelve months, Dollar General used 92,125 gallons more than purchased and Sheetz Car Wash used 211,750 gallons more than purchased. It was noted that one EDU is the equivalent of 54,750 gallons, with Dollar General needing one additional EDU and Sheetz Car Wash needing four EDUs.

Susan stated that she had reported the increases in usage to employees at Dollar General. Chairman Holman asked that Irene send Dollar General a letter within the next week, expressing concern over the increase in water usage and inform them that they would need to purchase an additional EDU of capacity.

Concern was expressed over the continued increase of water usage by Sheetz Car Wash and its effect on the capacity of the Cove WWTP. Chairman Holman asked Irene to send a letter to Sheetz, asking them to attend the February meeting to discuss their water usage. He asked Susan to provide him with the total number of EDUs going into the line used by Sheetz.

Treasurer's Report

Invoices and Expenditures – Susan was requested to hold the check to Susquenita School District in the amount of \$8,699.99 until further notice. After discussion, there was a Wright/Graybill motion to approve payment of the December 31, 2007 invoices totaling \$30,731.56. Motion passed by unanimous vote of the Authority.

Financial Report – After review, there was a Wright/Knaub motion to approve the financial report covering the period December 1 through December 31, 2007, subject to audit. Motion passed by unanimous vote of the Authority.

2007 Budget Status – Susan presented the 2007 revenue and expense totals compared to the amounts budgeted. She noted that all revenue and expenses for 2007 were included, with the exception of investment interest for December. Lee noted for the record that the year-end result was within \$6,264 of the amount budgeted.

2007 Financial Audit – Susan noted that there was one year remaining on the auditor's contract, with discussion centering on problems with getting past audits completed on time. If contacted by the current auditor before the

February re-organization meeting, Susan will inform her not to start until instructed to do so. Irene was requested to contact Smith, Elliot, Kearns for a quote to perform the 2007 audit.

Incoming Correspondence

A list of all correspondence can be found on the January 2, 2008 agenda. The following correspondence was discussed.

Cleckner and Fearen Letter to William Bunt Dated December 27, 2007 – The Solicitor explained that this letter updated Mr. Bunt on the status of the continuance of the arbitration hearing scheduled for July 10 and 11, 2007.

Larry Miller Letter Dated December 27, 2007 – Mr. Miller's letter stated that the Little Boston pump station facilities are located on his property and requested that the Authority provide proof it has the legal right to have them there. Irene reported that she and the Inspector looked for evidence of a recorded right-of-way (ROW) and could not find any in the files. The Solicitor stated that acquisition of a ROW in 1990-1991 may have "fallen through the cracks", or that it might have been acquired and recorded at the courthouse, but no copy is in the files. He added a third possibility that the owner at that time could not be located and a decision was made to install the pump station and deal with any consequences at a later time.

The Solicitor stated that he had researched the matter and offered the following opinion. As long as the improvement is visible, there is a six-year limitation for the property owner to file a claim for compensation. He noted that Mr. Miller purchased the property in 1997 and the right to compensation was with the old owner. Even if the right to compensation transfers with the owner, Mr. Miller's six-year limit has expired.

The Solicitor explained that Mr. Miller can file an inverse condemnation but felt that he would be "time barred." He stated that, in a worst case scenario, the Authority would have to reimburse Mr. Miller, but because the land is in the flood plain and undevelopable, it would be at a nominal cost. The Solicitor compared it to the cost incurred when the Authority had to purchase land from Petersburg Commons, Inc. for installation of the water meter vault. Susan reported that the assessed value of the land was \$3,390. The Solicitor will respond to Mr. Miller's letter and inform him of the six-year limitation on the claim for compensation.

Outgoing Correspondence

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

ROC Letters – Irene provided a list of customers who were sent invoices for ROC that explained who has and has not paid. Susan noted that the heirs of Jim Scholl's properties were not included. She explained that a ROC agreement was signed by Jim Scholl in 2004 for four properties on Hill Top Road and questioned if ROC invoices should be sent for these properties. She added that, while Mr. Scholl paid several tap fees, it was unclear if any of them were for these properties, or would guarantee grinder pumps for these properties. Due to the confusion about the number and location of Mr. Scholl's properties, and the amount of tap fees paid, Chairman Holman asked that information be researched and compiled for future discussion.

Old Business

Termination of Water Service of Delinquent Sewer Customers – Due to the absence of two members, discussion was tabled until the February 2008 meeting.

Reclassification of "Inspector" Title - Chairman Holman asked if anyone had given any thought for a title that would better suit the work done by Inspector Auxt. Susan suggested "Field Representative" since it describes his relationship between the public and Authority. Chairman Holman stated that he had no problem with suggesting that title change at the February re-organization meeting.

Letter for Re-appointment of Irene Graybill – Irene noted that, at its December meeting, the Authority voted to recommend her re-appointment to the PTS. She stated that she had written a letter to forward to the PTS for its January 7, 2008 re-organization meeting, and had placed it in Chairman Holman's mailbox for the members to sign.

She asked where the letter was. Chairman Holman responded that he had signed it and placed it on her desk. He offered to go to the office after the meeting and help her locate it.

New Business

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

Adjournment

With all business completed, a Wright/Graybill motion for adjournment was made at 9:20 p.m. Motion passed by unanimous vote.

Submitted by Susan E. Long
Recording Secretary