

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

March 5, 2008

The Penn Township Municipal Authority (Authority) met on Wednesday, March 5, 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
Elmer Knaub, Secretary

Professional staff present:
Dennis Shatto, Esq., Cleckner and Fearen (CF), Solicitor

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

Visitors present:
Ryan Coudriet, Pyramid Construction
Franklin Reidlinger
Bryan Soyka, Sheetz
Lester Sharar
Betty Albright
Raymond Hall

Minutes

Upon a Wright/Knaub motion, the Authority voted unanimously to approve the February 5, 2008 minutes as presented.

Visitors

Ryan Coudriet, Pyramid Construction

Mr. Coudriet explained that Pyramid Construction had established an escrow account for expenses incurred by staff members during construction of the Family Medical Center in Business Campus One. He noted that construction was completed and asked when the account would be returned. Chairman Holman stated that, while Mr. Coudriet had requested the escrow return at the previous meeting, he wanted to wait until this month to ensure that no more staff expenses would be incurred. Upon questioning, the Field Representative responded that he did not know of any remaining work that needed to be done by staff. With that, there was a Wright/Knaub motion to approve the remaining escrow balance of \$2,483.50. Motion passed by unanimous vote of the Authority. The Treasurer noted that a check to reimburse the escrow account was with the invoices to be approved for payment later that evening. It was the consensus to sign the check at this time and give it to Mr. Coudriet.

Franklin Reidlinger

Mr. Reidlinger explained that he was in attendance as a representative of the Perdix Fire Company (PFC) to discuss the schedule for connection of the firehouse to the sanitary sewer. He stated that he will be using his backhoe and

will make the connection, but the recent heavy rain has made it difficult to excavate. He asked the Authority to give PFC additional time to connect. Chairman Holman stated that PFC had earlier told the Authority that a different contractor would be doing the work, and that the Authority had expected the connection to be completed by this time. Mr. Reidlinger stated that he was unaware of this, but would check into it. Chairman Holman told Mr. Reidlinger that the Authority is still willing to work with PFC, but that the connection needs to be done as soon as possible.

Mr. Reidlinger asked if PFC would need any permits. He was told it would need a connection permit from the Authority and inspection permits from the Township. Mr. Reidlinger asked if PFC would need to pay a tapping fee, noting that, when he was an Authority member, a motion was passed waiving the tapping fee for the firehouse. He was told that the tapping fee was waived, but that the Authority is no longer responsible for inspection of the connection. Chairman Holman explained that, with the advent of the Uniform Construction Code (UCC), the Township hired a third-party agency to do those inspections and those fees would have to be discussed with the Penn Township Supervisors (PTS).

The Field Representative asked Mr. Reidlinger to notify him when PFC was ready to abandon its septic tank and when the water meter was installed.

Mr. Reidlinger then presented an update on the two properties he owns on State Road. He stated that he has a buyer for the house, but the house has to be made habitable before the mortgage company will settle. He said that the prospective owner has been working on rehabilitating the house. In regards to the trailer, Mr. Reidlinger reported that he has a buyer for the lot, but must move the trailer before it can be sold. He stated that there is no water supply to the trailer and there never has been any type of septic system for the trailer.

Mr. Reidlinger estimated that he can have both properties settled by the middle of May. He said that he would notify the Authority if he runs into any problem that would delay settlement. Discussion was held on what to do about the grinder pump installed for the trailer, with no action taken.

Chairman Holman then asked Mr. Reidlinger to check the grinder pumps at his and his son's residences to see if any water got into them as a result of the recent heavy rains. Mr. Reidlinger stated that he would contact the Field Representative to schedule a time to meet with him to check the pumps.

Bryan Soyka, Sheetz Car Wash

Mr. Soyka was in attendance at the request of the Authority to discuss the excess water usage of Sheetz Car Wash. He stated that he had been trying to get information from Sheetz's headquarters regarding the actual number of car washes being done, but could not get the information prior to the meeting. He explained that one car wash uses approximately 12-13 gallons, and that many more washes than are being done would need to be done to explain the high water usage. He asked if the water meter was on the pump side or the well side. The Field Representative offered his opinion that water coming from the well goes through the meter. He added, however, that Sheetz installed the meter, and it could be possible that it was installed in the wrong location and is not measuring flow from the well.

Chairman Holman informed Mr. Soyka that the Authority is concerned that Sheetz's usage is putting the sewer line at near-capacity limits and urged Mr. Soyka to do everything possible to reduce the number of EDUs being used. He suggested that Mr. Soyka research the location of the meter on the possibility that it is not measuring the flow from the well.

Discussion was held on the possibility of leaks both under the structure, and from equipment that does not shut off completely after each car wash. Mr. Soyka asked about the possibility of installing a meter to measure the flow leaving the car wash. Chairman Holman stated that he felt the usage should be monitored at the point where the water enters the car wash.

Chairman Holman suggested the possibility that the water meter is out of calibration and offered the services of the Field Representative. Mr. Soyka stated that he will be investigating all the possible causes for the high water usage and that any help from the Authority would be appreciated. He will report back to the Authority at the April 2nd meeting.

Lester Sharar, 1442 State Road

Mr. Sharar was in attendance at the invitation of the Solicitor. The Solicitor explained that a hearing had recently been held with the District Judge concerning the non-compliance of Mr. Sharar to connect his property to the sanitary sewer. He relayed that one issue arising from the hearing was the payment of the inspection fee for the connection. He explained that, when Mr. Sharar was constructing the new house on his property in 2001, he had requested

permission from the PTS to install a holding tank until sanitary sewer service was available. The request was denied and Mr. Sharar was required to install a septic system. Because of this expense, when the sanitary sewer was available the Authority voted to waive the tapping and inspection fees for the connection. The Solicitor stated that, since the Authority no longer performs the inspection of the connection, it could not now waive the fee. However, the PTS voted at its February meeting to pay the inspection fee for the connection of the new house and that issue is resolved.

The Solicitor continued that a second issue concerns the original dwelling on the property. He stated that Mr. Sharar is asking for relief of the connection order. Mr. Sharar explained that, once the new house was built, he was not permitted to use the old house as a residence. It was used as a gift shop for awhile, but is now in disrepair and as it would not be profitable to renovate it, he is considering demolition. He stated that the water line to this building has been disconnected.

Chairman Holman then stated his understanding of the situation for the new house – Mr. Sharar is willing to connect the new house, the Authority has waived the tapping fee, and the PTS will pay the UCC inspection fee. He told the Authority that it now needed to decide what action needed to be taken for the old house. He noted the Authority's concern that there should be no further use of the on-lot septic system and compared this situation to the Linsenbach property which was discussed at the February 5th meeting. He stated that one option for Mr. Sharar would be to disconnect the electricity to the old house. The other option would be to keep the electricity connected but to abandon the septic system. Mr. Sharar stated that he would be willing to disconnect the electricity. After discussion, there was a Wright/Knaub motion to waive mandatory connection of the old house contingent upon Mr. Sharar disconnecting the electricity. Motion passed by unanimous vote of the Authority. Mr. Sharar stated that he will strive to have the old house connected to the sanitary sewer by April. He was told to contact the Authority and Township offices to get the necessary permits. The Field Representative will check to see that the electricity has been disconnected when he reads the commercial water meters later this month. It was noted that there are two simplex grinder pumps in the pit. The Field Representative will check into obtaining a blank cover for the pit so that the pump for the old house can be removed.

The Solicitor stated that Mr. Sharar has asked for relief from the ready-to-serve charge and the fine for violation of the connection notice. He suggested that those issues be discussed in executive session later that evening.

Betty Albright

Mrs. Albright was present to ask why the due date of the sewer bills is the 28th of each month and why no grace period is allowed before a penalty is assessed. She noted that, with the exception of February, all months have at least 30 days. She also noted that bills mailed on time do not always reach the Authority by the 28th of the month and asked why there is no grace period until the end of the month. She pointed out that her utility and insurance bills all provide for a grace period. Susan explained that bills used to be due on the 5th of the following month, but confusion arose with the start of monthly billing, when new bills were mailed before the old bills were due. She also noted that bills are considered to be received according to the date of the postmark.

Discussion was held on incorporating a grace period before a late fee is assessed. Susan will provide draft language for a grace period to be added to the rate schedule and will present it for review and possible approval at the April 2nd meeting.

Mrs. Albright was then informed of a proposal to be discussed later in the evening that would provide for a rate reduction when economic conditions are suitable.

Plant Operator's Report See written report for February 2008.

DMRs (See written Discharge Monitoring Reports dated January 2008.) The DMRs were reviewed with the note that the influent BOD at the Cove Wastewater Treatment Plant (WWTP) was below the Authority's design limit of 240 mg/l. The Operator extended an invitation for Authority members to contact him at any time with questions.

Sunshine Hill Water System – The Operator reported that a pressure control switch was replaced on pump #2.

Cove WWTP Chapter 94 Report – The Operator reported that Engineer Bill Hill had completed the Chapter 94 report for the Cove WWTP. He stated that a copy would be placed in the Authority's files for review by the members.

Cove WWTP Odor Problem – The Operator reported that he received the results of the testing for sulfides in the three lines entering the Cove WWTP. He stated that the only line that showed the presence of sulfides was the new line from the Perdix project, even though the odor problem predates the project. He stated that he has submitted samples to a different laboratory, and will inform the members of those results when received.

Cove WWTP Flow – The Operator reported that, as a result of the recent heavy rain, the Cove WWTP had pumped 111,000 gallons by 11:00 a.m. today, exceeding its hydraulic load. He reported that he asked Susquenita School District to utilize water-conservation methods to help control further load on the WWTP.

Chairman Holman stated that he would try to be available during the next period of heavy rain to monitor possible causes of the increased flow into the WWTP. He suggested that the Operator investigate the cost of "run-time" meters that could be installed to give the Authority an idea of the sources of the increased flow.

Kinch Bowman Grinder Pump – The Operator reported that the Field Representative and he repaired the Bowman grinder pump control box on February 29th. He attributed the malfunction to high humidity in the box affecting the overload and stated that he installed a slow-blow fuse.

Field Representative Report See written report for February 2008.

Master Meter Reports – The Master Meter reports were reviewed with the note that there was no information available for readings taken earlier in the day by Duncannon Borough employees.

Butchershop Road Right-of-Way (ROW) – The Field Representative relayed that the owner of property on which the Authority has a ROW on Butchershop Road has reported a washout on the ROW and has requested that the Authority repair it. The Field Representative stated that he made a site visit and reported that, while the washout is large, no Authority pipes are being compromised at this time. He asked whose responsibility it was to repair the washout.

The Solicitor offered his opinion that it is the property owner's responsibility to maintain his property, but added that, if the washout could cause a potential problem for the Authority, it might want to protect its interest and repair the washout. Chairman Holman will perform a site visit.

Abandonment of Septic Systems – The Field Representative offered his opinion that the Authority is setting a bad precedent by not requiring the abandonment of the septic systems on the Linsenbach and Sharar properties, stating that the abandonment was incorporated into the Authority's Rules and Regulations for ecological and safety reasons. He added that, until the recent sewer project, every property connected was inspected to insure that the on-lot septic systems were abandoned. It was noted that, while Mr. Reidlinger was an Authority member, he had the responsibility of checking the new connections for the Perdix project; after he left the Authority that responsibility was not passed on. It was further noted that many of the UCC inspection reports contain information that the septic systems have been abandoned.

Chairman Holman agreed that the requirement for abandonment of the septic systems was necessary, but that for the above-mentioned cases, he was trying to save the property owners extra expense. In the event that those dwellings become inhabited, he felt the Authority would know and would require connection of the dwellings and abandonment of the on-lot systems at that time.

Quotes for Flushing of Sewer Lines and Facilities – The Field Representative reported that Jet-Vac has not yet responded to his request for quotes for flushing of various sewer lines. When asked whether he had contacted any other company, he responded that past quotes from other companies have always been much more expensive.

1219 State Road - Chairman Holman noted his understanding that the owners of 1219 State Road were to have responded to the Authority with a timeframe for connection to the sanitary sewer. Irene will be asked to check the length of time the owners had before they contacted the Authority and, if necessary, ask for the timeline.

1112 State Road - Chairman Holman asked about the Field Representative's meeting with the new owner of 1112 State Road. The Field Representative stated that he provided assistance to the owner in location of the grinder pump.

Kinkora Home Expansion – The Field Representative reported that he has not yet received the requested information on the grease trap and the as-builts from Kinkora Home's expansion project and will follow-up on his request.

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 dated February 29, 2008.

Executive Session – At 8:40 p.m. the Authority entered into executive session to discuss litigation and real estate issues. At 9:10 p.m. the meeting reconvened with the announcement that no action would be taken.

Billing Clerk's Report

Delinquent Accounts – The list of accounts delinquent as of February 29, 2008 was reviewed. Chairman Holman noted that the amount of the delinquent accounts has decreased. and offered that turning the accounts in to the District Judge for collection was having an impact. Irene will be asked to continue the procedure to turn in all accounts that owe more than \$250.00

Dollar General Water Usage – Susan reported that Dollar General's water usage has dropped from a usage of 19,000 gallons in January to 2,000 gallons in February. It was the consensus to wait until the March usage information is available to determine whether to contact Dollar General about its past excessive water usage.

Treasurer's Report

Invoices and Expenditures – Lee explained that the check to Orrstown Bank in the amount of \$225.00 was for researching deposits made in June 2004. After discussion, there was a Wright/Holman III motion to approve payment of the February 29, 2008 invoices totaling \$31,119.57. Motion passed by unanimous vote of the Authority. Chairman Holman will deliver the check issued to Susquenita School District in the amount of \$8,000.00 upon resolution of any outstanding developer's refund issues.

Financial Report – After review, there was a Wright/Knaub motion to approve the financial report covering the period February 1 through February 29, 2008, subject to audit. Motion passed by unanimous vote of the Authority.

Incoming Correspondence

A list of all correspondence can be found on the March 5, 2008 agenda. All correspondence was either reviewed without comment or discussed earlier during the course of the meeting.

Outgoing Correspondence

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

Sewage Capacity for Miller Property on Railroad Street – Chairman Holman noted that a letter was sent to Act One stating that capacity was available for the Miller property on Railroad Street. He stated that, while this issue was discussed with the Engineer at the February 6th meeting, he did not remember any discussion that sewage capacity was available. Irene will be asked to contact Chairman Holman for clarification.

Old Business

McDade Hearing for Malfunctioning Septic System – The Authority reviewed a letter from the Township secretary providing an update on the Township's suit against the McDades for a malfunctioning septic system. The letter stated that the District Judge has given the McDades sixty days to connect their property on Firehouse Road to the sanitary sewer.

Rate Reduction Proposal – Lee stated that he had received a question on the proposed procedure for reduction of water and sewer rates. He said that Elmer questioned if there was a limit to the amount an authority can hold in reserve for capital projects. The Solicitor responded that there is no limit established by the court system and added

that he could find no legal impediment to implementing the rate reduction proposal. After discussion, it was the consensus to authorize the Solicitor to finalize the proposal for Authority action at the April 2nd meeting.

New Business

Capital Reserve Fund– After discussion, it was the consensus to change the name of the "Capital Reserve" Fund to the "Project Reserve" Fund.

Marysville Bank Accounts – Susan noted that the Marysville Bank Escrow Account was getting only .65% interest, while the General Checking Account was getting 4%. She suggested that the Escrow Account be closed out, with the proceeds transferred to the General Checking Account. The Solicitor explained that the money in the Escrow Account had been originally deposited as a "good faith" setting-aside of funds towards the Authority's share of repairs needed for Market Street. He offered that there was no legal reason to keep that fund separate. After discussion, it was the consensus for Susan to transfer the Escrow Account money into the General Checking Account. The proceeds will be tracked separately on the monthly Financial Report as "Market Street Project."

PennVest Loan #79354 – Discussion was held on the information received from PennVest concerning the final closing of the loan for the Penn Manor, Susquenita Hill, and Lower Cove/Perdix sewer project. Lee noted that the closing date was March 14, 2008 and said that he would like to review the information with Susan and Don Lavine before any documents are signed. He also noted that he thought the monthly amount due to PennVest was less than the amount budgeted for 2008. After discussion, there was a Wright/Holman III motion to approve and authorize the appropriate officers to execute the "Modification of Bond and Other Loan Documents" contingent upon Lee's verification of the final calculations. Motion passed by unanimous vote of the Authority. After Lee is satisfied with the calculations, he will notify Chairman Holman to have the document executed.

Community Development Block Grant (CDBG) – Lee will contact Omar Syed at Tri-County Planning Commission to discuss the status of the Authority's application for CDBG funding by the Perry County Commissioners.

Adjournment

With all business completed, a Wright/Knaub motion for adjournment was made at 9:55 p.m. Motion passed by unanimous vote.

Submitted by Susan Long
Recording Secretary