

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

September 3, 2008

The Penn Township Municipal Authority (Authority) met on Wednesday, September 3, 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
Sam Auxt

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

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

Visitors present:
Nancy Valdez

Minutes

Upon a Wright/Knaub motion, the Authority voted to approve the August 6, 2008 minutes as presented. Sam abstained from voting as he was not present at that meeting.

Visitors

Nancy Valdez, Susquenita Hills Road

Ms. Valdez stated that she had been at several Penn Township Supervisors (PTS) meetings where it was discussed that an expected Authority shortage of \$400,000 was in actuality available, but was just not reported to the budget committee. She asked if the sewer rates had been set at \$70 per month prior to realization that the \$400,000 was available. If so, could those funds be used to reduce the current rates?

It was explained to Ms. Valdez that the sewer rates were set at \$70 per month after it was realized that the funds were available. Chairman Holman told Ms. Valdez that the sewer rates had originally been projected to be higher than \$70 per month. However, as the PennVest loan process was completed, the projected rate was lowered to the current \$70 per month. Chairman Holman added that the Authority had gone several years at the old \$125 per quarter rate. He offered that the Authority probably should have increased rates gradually during that period, rather than increasing them all at once.

Lee explained to Ms. Valdez that the Authority has adopted a plan to reduce the burden on the ratepayer for the future. He explained that 90% of any surplus from the yearly operating revenue will be added to the next year's budget as revenue. This increased revenue will help offset expenses, and either allow the Authority to lower rates, or keep any necessary rate increase to a minimum.

Ms. Valdez asked the Authority to consider offering a discount to those ratepayers who wished to pay on a quarterly or annual basis, citing the advantage that the Authority would get more of its revenue at an earlier time. She was told that the Authority will consider her suggestion during 2009 budget discussions later in the year.

Ms. Valdez stated that the Authority's minutes were not available on the Township's website. She was informed that the minutes are provided to the Township each month and had been available on the website. Susan will research the status of the minutes and respond back to Ms. Valdez.

Plant Operator's Report There was no written report.

DMRs (See written Discharge Monitoring Reports dated July 2008.) The DMRs were reviewed with the note that the influent BOD at the Cove WWTP was 185 mg/l, under the Authority's design limit of 240 mg/l. The Operator noted that the fecal average for the Cove WWTP was still above DEP's limit of 200/100 ml, and that it is a violation of its permit. He informed the Authority that he has been working on the fecal problem by adding more Chlorine and De-Chlor, but was not compensating for the additional chlorine being used to control the odors from the EQ tanks. He stated that the problem is now under control and the fecal average has been steadily decreasing.

The Operator extended an invitation for Authority members to contact him at any time with questions about the DMRs.

Cove WWTP Odor Control – The Operator reported that the Field Representative and he met with the Engineer at Lake Meade to review the odor control methods used at the WWTP there. As a result of the meeting, he has started to use ferrous oxide instead of chlorine as an odor control. He offered that, while still too early to tell, he thinks the results are promising. He will update the Authority at the October 1st meeting.

Kinkora WWTP – The Operator reported that there were three breaks in the galvanized iron piping in the EQ tank today and that it needs to be replaced. Chairman Holman asked the Operator to contact him next week about performing a site visit so that he could provide input into the replacement.

WWTP Inspections – The Operator relayed that the Engineer would like to know if he should conduct an inspection of the WWTPs, as he has done in the past. The Operator offered his opinion that an Engineering inspection is not needed to inform the Authority what equipment should be replaced, in that a number of the members are cognizant of the operation of the WWTPs. Lee offered that he feels no one knows the WWTPs better than the Operator and did not feel an inspection was necessary. Chairman Holman offered that he feels the Operator is qualified to inform the Authority of the plants' conditions. After discussion, it was the consensus that the Operator should inform the Engineer that no inspection is required.

Field Representative Report See written report for August 2008.

The following items were discussed.

Master Meter Reports – The Master Meter reports were reviewed with a comment that the readings of June 4th for the Clark Street flow meter were higher than normal. The Field Representative will double-check the numbers for accuracy.

Jeff Linsenbach Property, State Road - Chairman Holman reported that he contacted Mr. Linsenbach to find out when he is going to complete the process agreed upon for the waiver of the requirement of connection for his State Road property. He relayed that Mr. Linsenbach is going to contact the Field Representative when he is finished. Chairman Holman asked to be contacted by the Field Representative if Mr. Linsenbach has not responded within thirty days.

Sheetz Car Wash – The Field Representative stated that he had been forwarded an email from Brian Soyka asking about the lab results of the sample taken to determine the salt concentration of the car wash's effluent. He stated that lab results were not yet available, and asked how they should be communicated to Mr. Soyka when they are received. Chairman Holman asked the Field Representative to email the results to Mr. Soyka, and copy the other members so that they are also aware of the lab results.

DeCoven Property, State Road – The Field Representative reported that the new owner of the DeCoven property would like to know, in writing, the number of EDUs that can be put into the 2" low-pressure line that stops short of

his property, how many EDUs are being used, and how many remain. After a rough calculation based on an engineering study of September 2005, it was thought that only two EDUs are available. However, it was noted that there are several variables to be considered, including the length of the line and the type of grinder pumps being used. Elmer was asked to contact the Engineer and obtain a cost estimate to perform a line evaluation and determine its maximum EDU capacity. The Field Representative was asked to provide any information requested by the Engineer.

The Field Representative will contact the owner and inform him that there are several EDUs available, but that no exact figure can be provided in writing until an engineering determination is made.

McDade Property, 106 Firehouse Road - Chairman Holman noted that Ms. McDade had sixty days from July 2nd to fill or crush the septic tank at 106 Firehouse Road for the ready-to-serve (RTS) charges to be waived. After discussion, it was the consensus to direct the Executive Secretary to send a letter to Ms. McDade and tell her the sixty-day period to fill or crush the septic tank has expired. The letter should instruct Ms. McDade to request a thirty-day extension, which will be granted, and inform her that, if the septic system is not taken off-line by that time, legal proceedings will be pursued for collection of the delinquent sewer account for that address. The letter should also tell Ms. McDade that the Authority is not concerned whether or not the trailer is demolished; its interest is solely in the disconnection of the septic tank.

Penn Township Supervisor's (PTS) Report

Susan reported that the PTS would like to know if the SEO should file against septic malfunctions for Perdix properties that have not yet connected. This will be discussed with the Solicitor's report.

Solicitor's Report – See written report dated September 2, 2008.

Intermunicipal Agreement (IA) – The Solicitor reported that he made the following changes to the previously-approved IA in response to a request from Duncannon Borough (Borough) Council's solicitor: "Inter-Municipal" was added to the title page and dates were added to the bottom of the pages. Susan reported that this version was approved by the PTS at its August 27th meeting. The Solicitor reported that the following change was made to the Settlement Agreement – "Authority" was added to identify the Duncannon Sewer Authority. Susan reported that this version was also approved by the PTS at the August 27th meeting.

On the advice of the Solicitor, and upon a Wright/Knaub motion, the Authority voted to re-approve the IA and Settlement Agreement in the form presented at tonight's meeting. Sam abstained on the motion. The Solicitor noted that Plates I and II need to be added to the IA and that dates need to be added to the Plates. He will contact Ben Shull for copies of the Plates and forward the entire document to the Authority for its signatures, as well as the signatures of the PTS.

Revision of Township Connection Ordinance 101 – The Solicitor reported that District Judge Maguire would like the enforcement section of the connection ordinance clarified as to whether civil or criminal proceedings will be filed for violation of the ordinance. He explained that criminal proceedings provide for incarceration either for violation of the ordinance or for failure to pay the fine. After discussion, and upon a Wright/Knaub motion, the Authority voted to request that the PTS incorporate criminal proceedings as part of the enforcement section of the connection ordinance. Sam abstained on the motion. The Solicitor will notify the PTS's solicitor of the Authority's request.

Abatement of Sewer Charges – The Solicitor read from the Rules & Regulations (R&R) regarding the requirement that a physical disconnect must be made for the abatement of sewer charges. He stated that this issue was raised for the McDade property, on which a trailer is to be removed and a new one installed at a later date. He offered his interpretation of the R&R to mean that the property owner can be charged a tapping fee when the new trailer is installed. He asked why an owner should be allowed to tie-up sewer capacity when the property is not connected to the sanitary sewer. He suggested that property owners in this situation be given the choice of continuing to pay their sewer charge or purchase reservation of capacity (ROC) at the cost of \$300 per year. The alternative is to pay a new tapping fee when the connection is made. The Solicitor pointed out that the option to purchase ROC when a property is disconnected would need to be added to the R&R. The Field Representative and Susan will provide draft R&R language for approval at a later date.

The Executive Secretary will be asked to write a letter to Ms. McDade and inform her that, according to the Solicitor's interpretation of the R&R, she will need to pay a tapping fee to connect a new trailer on the property. Ms. McDade will be given the opportunity to purchase ROC, at an annual cost of \$300, to ensure that capacity is available at the time she connects the new trailer. Purchase of the ROC will waive the necessity of paying a tapping fee when obtaining a new connection permit.

Discussion was held on the Velez property at the intersection of SR 274 and Pee Wee Lane. Mr. Velez purchased the abandoned property for rehabilitation. The Executive Secretary will be asked to write Mr. Velez a letter and tell him that, due to the expansion of Business Campus One and related capacity issues, he should consider purchasing ROC, to ensure that capacity will be available for him when he needs it.

Connection Permit Expiration Date – The Solicitor asked if there was an expiration date when obtaining a connection permit. No one was able to answer the question. He stated his concern that a connection permit could be obtained now, to save the property owner from paying a higher tapping fee in the future. Susan stated that she was told by the Executive Secretary, when she took over as billing clerk, that according to the R&R billing should begin within 180 days from the date of the permit, even if connection had not taken place. Susan will research the R&R for verification that this wording is included.

Borough Termination of Water – The Solicitor asked what should be done in cases where the Borough shuts off water to one of its customers, who also is an Authority sewer customer – should sewer charges be abated? He agreed that there was no use of the sewer system, but asked how the Authority would know when the Borough re-connected the water and sewer charges should be re-billed.

Chairman Holman offered his thoughts that, if there is no use of the sewer system, it is the same as a physical dis-connection and the property owner should be offered the opportunity to purchase ROC or pay a new tap fee when water is re-connected. The Field Representative and Susan will provide draft language for the R&R for later approval.

Perdix Properties Remaining To Be Connected – The Solicitor noted that there are seventeen properties remaining to be connected to the sanitary sewer in Perdix. He stated that eleven of the properties have received judgements for non-connection and have had liens filed with the Prothonotary. The Solicitor was instructed to contact these owners and inform them that they have thirty days to connect, or their properties will be entered for Sheriff's sale. He will also notify the Township secretary of the action taken and the status of the properties.

Regarding properties that have not received judgements, the Solicitor will file against them for violation of the connection ordinance.

Billing Clerk's Report

Delinquent Accounts – The list of accounts delinquent as of August 31, 2008 was reviewed. The Solicitor noted that the Wisman property has been entered for Marshal's sale and the Koelsch property has been entered for Sheriff's sale. The Executive Secretary will be asked to continue the collection procedure for delinquent accounts.

Treasurer's Report

Invoices and Expenditures – Susan pointed out that two checks were being issued for refund of duplicate tapping fees. She stated that the refund is coming out of project reserves, and not general funds. After discussion, there was a Wright/Holman III motion to approve payment of the August 31, 2008 invoices totaling \$57,797.00. Motion passed by unanimous vote of the Authority.

Financial Report – After review, there was a Wright/Holman III motion to approve the financial report covering the period August 1 through August 31, 2008, subject to audit. Motion passed by unanimous vote of the Authority.

Executive Secretary's Report

Chairman Holman reviewed the Executive Secretary's report and noted that the Perdix Fire Company (PFC) had established an installment plan for payment of a tapping fee. He questioned why, since the tap fee for the fire house

was waived. It was suggested that the fee might be for the rental property owned by PFC. Susan is to research what property the tapping fee is for.

The Field Representative reported that PFC has not yet connected the water meter provided to it. The Executive Secretary will be requested to write a letter to PFC representatives, asking for a timeframe for the connection of the water meter, and telling them that a written or oral reply is sufficient; attendance at a meeting is not necessary.

Louis Beemer, 1432 State Road - Chairman Holman reported that Mr. Beemer would like written acknowledgment of the results of the June 4th discussion about his property at 1432 State Road. Chairman Holman reminded the Authority that this property has two buildings on it, one for which Mr. Beemer has purchased ROC and will pay a tapping fee at a later date, and the other for which he has paid a tap fee. Susan and the Field Representative will write Mr. Beemer a letter and inform him of the results of the discussion at the June 4th meeting. The letter will also inform him that, if one of the properties is used as a commercial establishment, the Authority will furnish a water meter for Mr. Beemer to connect.

Tubby's - Chairman Holman reported that the Authority has received no response to its letters to the new owner of Tubby's, informing him that, according to the agreement with the previous owner, an in-ground grease trap will be necessary if there is any change in the amount of food being offered at Tubby's. The Solicitor will contact the owner. The Executive Secretary will be asked to provide the Solicitor with a copy of the grease trap agreement signed by the previous owner.

Incoming Correspondence

Incoming correspondence was circulated among the members. Members were directed to request a copy of the correspondence if they so desired. There was no discussion on any of the correspondence.

Outgoing Correspondence

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

Old Business

Water and Sewer Construction Standards – Elmer reported that more fire flow standards are needed. He will contact the Engineer and set up a meeting to discuss the issue.

Bank Signatory Cards – Lee is going to research whether all members can be signatories or whether it is advisable to limit the number of members that can sign checks. Further discussion will be tabled until the 2009 re-organizational meeting.

2007 Financial Audit – After discussion, and upon a Wright/Knaub motion, the Authority voted to approve the 2007 financial audit. Sam abstained on the motion. Susan will notify the auditors to send the final copies and the DCED report.

Agreed-Upon Procedures – Lee reported that he had provided a copy of the recommendations contained in the agreed-upon procedures to the Executive Secretary and is waiting for her response to the recommendations. He stated that he thought the recommendation to make copies of all checks except those for sewer or water payments was a very good one and should be incorporated. Further discussion will be held at the October 1st meeting.

New Business

Answering Machine - Chairman Holman reported that the office answering machine needs to be replaced. Lee was asked to check if the present phone system has voice-mail provision, if not he is to authorize purchase of a new answering machine.

Tapping Fee Installment Payments - Chairman Holman reported that a number of customers entered into an agreement to pay their tapping fee in monthly installments, but have only made one or two payments. The Solicitor

stated that liens were filed against all properties whose owners entered into the agreement. He will contact the Executive Secretary for the names of the delinquent owners, and then send letters to them, informing them that they need to bring their accounts current or their properties will be entered for Sheriff's sale.

Motion to Extend Meeting – At 10:00 p.m. there was an Auxt/Wright motion to extend the meeting until the conclusion of this evening's business. Motion passed by unanimous vote of the Authority.

2008 Financial Audit – Lee reported that he had reviewed the three proposals for financial audits. He stated that the 3-year proposal from Robert Morris & Co. was for \$12,965 while the second lowest proposal was for \$21,900 for the same period. Lee stated that the only concern he had with the Morris & Co. proposal was that it did not mention that preparation of the DCED report was included. After discussion, and upon a Wright/Holman III motion, the Authority voted to award a 3-year contract to Robert Morris & Co., contingent upon preparation of the DCED report being included in the quoted price of \$12,965. Sam abstained on the motion. Susan will contact Mr. Morris to verify if the quote included preparation of the DCED report.

First National Bank of Marysville (Marysville) – Lee stated that Susan and he had attended a meeting with representatives of the Marysville Bank to discuss interest rates that could be offered on \$425,000 invested for ninety days. He stated that the bank officials have not yet responded with a rate, and then reported on other items discussed. Marysville Bank will present a cost estimate for "Lockbox" services, in which all sewer and water payments are mailed to the bank, which in turn deposits the funds and provides a daily list of the amount deposited and the names of the depositors. The bank will also provide a quote on the cost of providing a laptop computer and check scanner to the Authority. The Executive Secretary could scan each check as it arrives, and the money would immediately be deposited into the Authority's account. The Authority would keep the checks for sixty days, after which they would be destroyed.

Job Description for Executive Secretary Position – After discussion, there was a Wright/Holman III motion to approve the job description for Executive Secretary position, contingent upon the Solicitor's approval. Motion passed, with Sam abstaining.

It was the consensus to seek applications for the position of Executive Secretary through advertisement on the local cable channel and in the local newspaper. Lee and Susan will compile the advertisement, which will direct interested parties to send their resumes to 220 Cove Road, Duncannon.

Adjournment

With all business completed, a Wright/Knaub motion for adjournment was made at 10:15 p.m. Motion passed by unanimous vote.

Submitted by Susan Long
Recording Secretary