

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

June 3, 2009

The Penn Township Municipal Authority (Authority) met on Wednesday, June 3, 2009 in the Penn Township Municipal Building. Chairman Sam Auxt, 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:

Sam Auxt, Chairman
Elmer Knaub, Vice-Chairman
Henry Holman, III, Secretary

Professional staff present:

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

Authority staff present:

Sam Auxt, Field Representative
Susan Long, Treasurer, Recording Secretary
Edward Chism, Plant Operator

Visitors present:

B. J. Giangulio, H. A. Thomson
Robert Morris, Robert W. Morris and Company

Minutes

Upon a Knaub/Auxt motion, the Authority voted to approve the May 6, 2009 minutes as presented. Henry abstained, since he was not present at the May 6th meeting. The May 12, 2009 JOAC minutes will be voted upon at the June 15, 2009 JOAC meeting.

Visitors

B. J. Giangulio, H. A. Thomson

Mr. Giangulio was present to discuss changes to the Authority's insurance package that had been suggested at the May 6th meeting. Previous coverage for the Cove wastewater treatment plant (WWTP) was \$2,000,000.00. After a site visit from H. A. Thomson's field agent, that coverage has been lowered to \$379,000.00. The Kinkora WWTP had previously been insured in the amount of \$600,000.00. That coverage has been lowered to \$64,000.00. Coverage for two submersible pumps at \$20,000.00 each was added to the policy. Coverage on the twelve grinder pumps in inventory will be dropped. These coverages will be reviewed every other year. In addition, coverage for non-owned vehicles was removed from the policy. Mr. Giangulio did not recommend insuring the individual grinder pumps installed in the Perdix/Lower Cove system. After revisions, the annual premium should be \$4,177.00, down from \$8,700.00.

Discussion was held on the two metering chambers installed on the lines shared with Duncannon Borough (Borough). The current Intermunicipal Agreement specifies that maintenance of the chambers is the responsibility of the Borough. However, the members were unsure as to which municipality owns them and is responsible for their insurance coverage. The issue of who should insure the metering chambers will be discussed at the June 15th JOAC meeting.

Robert Morris, Robert W. Morris and Company

Mr. Morris was present to review the 2008 financial audit. He stated that comparison figures for fiscal year 2007 were not included because his company did not perform that audit. Mr. Morris noted, however, that the total of cash and certificates of deposit increased by \$280,000.00 in 2008, while expenses decreased by \$137,000.00. He stated that his firm issued an unqualified, or clean, opinion as a result of the audit.

Mr. Morris reported that the comments included with the audit are more a function of the Authority's size, than the job done by its staff, in that a larger number of staff employees would provide optimum segregation of duties. Mr. Morris recommended that the Authority set up an ad-hoc Audit Committee to act as a liaison between staff and his auditing firm in case any problems develop. He also suggested that one of the Authority members review and approve the monthly bank reconciliations and general journal entries. Susan will contact Lee and ask him if he would review them each month.

The Solicitor questioned why the net assets were listed as a negative number. Mr. Morris explained that this was a result of prior accumulated losses and depreciation, and that assets are reported at cost and not necessarily at fair market value. It is also a result of the Authority's long-term liabilities. Mr. Morris stated that he does not consider this a concern. Discussion was held on the twenty-year depreciation reporting of the water and sewer collection and treatment facilities. It was the consensus to schedule a meeting with Mr. Morris later this summer, to review the depreciation schedule of the Authority's capital assets and consider a thirty-year depreciation schedule.

Mr. Morris will forward the required report to DCED and will publish an audit summary in the local newspaper.

Upon a Holman/Knaub motion, the Authority unanimously approved the 2008 financial audit.

Plant Operator's Report There was no written Operator's Report.

DMRs (See written Discharge Monitoring Reports dated April 2009.) The DMRs were reviewed with the note that the average influent BOD at the Cove WWTP was 275 mg/l, above the Authority's design limit of 240 mg/l. Members were asked to contact the Operator at any time with questions about the DMRs.

NPDES Permits – The Operator reported that the NPDES permits for the Cove and Kinkora WWTPs have been tentatively approved by DEP. He stated that, as required, he has posted all necessary information outside both plants. He added that new DEP testing regulations will not impact the Kinkora WWTP but will increase expenses for the Cove WWTP.

Cove WWTP – The Operator reported that the current chemical supplier can no longer supply ferrous oxide, which is used to help mitigate odors. He stated that a new vendor was found and that eight barrels have been delivered, at a cost of \$300.00 each.

Kinkora WWTP – The Operator reported that the bar screen collapsed and needs to be replaced. This screen acts as a filter to prevent material from entering, and damaging, the submersible pumps. Henry stated that he is fabricating a new bar screen.

Pump Lifts – The Operator reported that pump lifts at both WWTPs need repaired. Henry volunteered to look at the lifts and see if he can fabricate new parts.

Cove WWTP – Henry asked if the recent heavy rains had any impact on the Cove WWTP. The Operator replied that there was a big fluctuation of about 20,000 gallons for one day before it went back to the normal flow. Henry stated that he has previously expressed his concern over the flow increases during heavy rain. He offered that some of it is I&I, but that most of it is probably from basement floor drains and sump pumps being introduced into the system. Chairman Auxt noted that the Authority lost a handle on floor drains and sump pumps when it stopped doing inspections when the UCC regulations went into effect. He also noted the Watts property and how the grinder pump was turned off and it took two months for a sewage backup to be made known. The Operator offered his opinion that a follow-up site visit should be made to that property. Henry stated that, while there is no issue with capacity in the plant at this time, the above concerns would have to be addressed if capacity ever becomes an issue.

Reservation of Capacity Purchases – Susan reported that 13 EDUs have been reserved for residential use in the Cove WWTP, with the possibility that 3 additional EDUs will be purchased by Rohrer Bus (RBS) for its property along State and Burley Roads. Additionally, in 2008, the commercial customers used 11 EDUs less than had been purchased, making a total of 27 EDUs of potential additional usage. Chairman Auxt pointed out that the 11 EDUs were on the old 2-inch diameter system. The Operator stated his opinion that there is no more capacity on that line, because the car wash continues to increase its usage and Sheetz continues to purchase more EDUs. Henry questioned if there would even be capacity for RBS when it develops the empty lots along Burley Road, stating that a new line might have to be built by RBS along Burley Road.

Discussion continued on the excess water usage by Sheetz Car Wash. Noting that there is no more line capacity for Sheetz, both the Operator and Henry offered that Sheetz will either have to curtail its excess usage or construct a new line to direct its flow to the Burley Road line. After discussion, it was the consensus to have the Solicitor contact Sheetz and notify them that no more capacity is available in the line serving the car wash and that no more EDUs are available for purchase. Additionally, if more capacity is needed, it will be necessary for Sheetz to construct a line to intersect with the Burley Road line.

Field Representative Report See written report for May 2009

The following items were discussed.

Master Meter Reports – The Master Meter reports were reviewed with the note that there were no unusual readings, and that the readings for all metering stations are under 150 gpd. The Field Representative reported that the flowmeters will be calibrated in the near future.

Grease Trap Inspections – The Field Representative reported that grease trap inspections were conducted in the Cove and Duncannon systems. Henry asked if Tubby's was included for inspection, and was told it was. The Field Representative stated that Tubby's has an under-counter grease trap, that regular maintenance is being performed on it, and that no grease is entering the sanitary sewer system from it.

Myers Grinder Pump – The Field Representative reported that a spare Myers WG-20 grinder pump has been purchased.

Market Street Line Replacement – The Solicitor was informed that the Authority and the Borough Sewer Authority had been awarded \$101,000.00 in stimulus money for the replacement of the Market Street sewer line in the vicinity of Clark Street. The bid opening for the project will be held on June 23rd in the Borough.

Amity Hall Fire – The Field Representative reported that 6,000 gallons of water was drawn from the hydrant at Petersburg Commons for use at the Amity Hall fire. It was unknown which fire company drew the water or if the Borough will bill the Authority for the water. It was noted that the bill for 93,000 gallons for residential consumption at Petersburg Commons was \$195.00. Henry suggested that the issue of using fire hydrants for fires outside of the Petersburg Commons development be addressed at a JOAC meeting early next year.

On a related note, it was the consensus to follow through with the flushing of the water lines in Petersburg Commons. The Field Representative will work in conjunction with Borough employees as they flush Borough lines next week. Susan reported that Petersburg Commons residents were sent announcements of the date that the lines would be flushed. The Field Representative noted that the Authority needs to purchase a wrench to open the hydrants.

Septic Tank Abandonment - The Field Representative reported that Glen Hockenberry had called him to ask why he continues to receive sewer bills. The Field Representative stated that he informed Mr. Hockenberry that he had not finished his obligation for waiver of the connection ordinance and that he still must abandon his septic tank. The Field Representative added that he was not sure that William Sminkey was informed his septic tank must be abandoned when he disconnects the system. The Solicitor stated that he would contact Mr. Sminkey and inform him of the need to abandon the septic tank.

Penn Township Supervisor (PTS) Report

There was no PTS report.

Solicitor's Report – See written report dated June 1, 2009.

Fulkroad Bankruptcy – The Solicitor will find out when the bankruptcy proceedings against Randy and Amber Fulkroad are lifted to that they can be cited for the delinquent sewer account.

Susquenita School District (District) EDUs – The Solicitor reviewed the agreement between the Authority and the District that was a result of the District connecting to the Cove WWTP in 1991. This review was done to determine the amount of EDUs purchased by the District for capacity in the WWTP. The agreement states that the District needed capacity for 3,500 students. It also states that the District would pay a capital contribution, connection, and tapping fee of \$240,000.00. However, the exact amount of the tapping fee is not broken out. The agreement also states the calculation to determine the numbers of EDUs to be billed annually and states that the District will pay sewer rental the first year on the basis of 60 EDUs.

Henry asked what the current EDU basis for billing was and was told it was 67 EDUs. He stated that the EDU basis has not been adjusted annually because the District's usage has been going down, noting that water conservation methods have been instituted. Susan stated that she thought the reason it has not been adjusted annually was because a flow analysis report was not requested from the Engineer for several years.

The Solicitor noted that the original basis of 60 EDUs, when multiplied by the definition of an EDU at that time, 250 gallons per day, would allow the District a daily usage in 1991 of 15,000 gallons.

Susan stated that, according to the 2008 Flow Analysis report, daily peak usage was 10,717 gallons. This usage equates to 71 EDUs, while the District is currently only being charged for 67 EDUs.

Discussion was tabled to allow the Solicitor to research additional documents in order to determine the amount of EDUs and capacity purchased by the District in 1991.

Chairman Auxt reported that he would be meeting with Dr. Sheats and Bob Finnen the next morning to discuss the District's request to transfer two of their purchased EDUs to the low-pressure line. He will ask them to consider a trade-off of the two EDUs for a right-of-way from the corner of the baseball field to Schoolhouse Road.

Connection Ordinance 101 – Discussion was held on the Perdix properties remaining to be connected to the sanitary sewer.

- Donald Galer, 3 Maple Avenue. Chairman Auxt reported that Mr. Galer's contractor had contacted him and said that he is in the process of connecting. Mr. Galer will be given until July to connect.
- Troy Hendricks, 1325 State Road. The Solicitor reported that he has contacted Mr. Hendrick's bank about the necessity to connect, but has not yet had a response.
- Glenn Hockenberry, Hill Top Road. Mr. Hockenberry has purchased reservation of capacity and needs to demolish the septic tank. Discussion on forgiveness of any ready-to-serve charges will not be held until the above requirements are met.
- Richard Vogelsong, 1 Woodland Drive – The Solicitor reported that, as a new owner, Mr. Vogelsong is aware that he needs to connect. Chairman Auxt reported that he has observed signs that rehabilitation of the property is taking place. Mr. Vogelsong will be given until the July meeting to connect.
- Elizabeth Mitchell, 1414 State Road. The Solicitor reported that the property has been entered into the July 24th Sheriff's sale and that Ms. Mitchell's bank has contacted him.
- Michael Schamber, 1029 State Road. Susan reported that the paperwork has been completed to turn Mr. Schamber in to the District Judge for violation of the connection ordinance. The Solicitor stated that the purpose of the citation was to get Mr. Schamber's attention so that he would contact the Authority. When he does, the issue of removal of the septic tank and installation of the grinder pump will be discussed.
- William Sminkey, 1032 and 1223 State Road. The Solicitor reported that he informed Mr. Sminkey of the requirements set at the April 1st meeting regarding these two properties and has received no response. He will send him another letter and inform him that in addition to the other requirements he must abandon the septic tanks. Susan reported that his delinquent sewer account is being turned over to the District Judge for collection.

- Kirk Vanier, 100 Schoolhouse Road. The Solicitor reported that this property is in mortgage foreclosure and is listed for the July 24th Sheriff's sale. The Solicitor suggested the Authority wait for the outcome of the sale.

Ramp Property, 303 Schoolhouse Road – The Solicitor will record the tapping fee installment payment agreement for the Ramp property with the Perry County Prothonotary.

Billing Clerk's Report

Delinquent Accounts – The list of accounts delinquent as of May 31, 2009 was reviewed. The procedure for filings with the District Judge and the Prothonotary's Office will continue to be followed by the Executive Secretary.

John and Kris Fach, Firehouse Road – Upon the Solicitor's recommendation, the Authority will cite Charles Shoemaker, the owner of record for this property on Schoolhouse Road, for the delinquent sewer account. The account will be turned over to the District Judge for collection.

Karen Taschek, 204 Firehouse Road. Ms. Taschek has connected, but has not abandoned the septic tank on the property, nor made any payments against her delinquent sewer or tapping fee installment payments. Susan will send her a letter telling her that the septic tank must be abandoned and that she must follow through with her commitment and begin making payments. If payment is not received by the July 1, 2009 meeting, her account will be turned over to the District Judge for collection.

Waiving of Ready-to-Serve (RTS) Charges – Discussion was held on waiving of the RTS charges. It was acknowledged that, while the Authority has waived RTS charges, it has always been waived for uninhabited properties, and never for inhabited properties.

Robert Wisman, Petersburg Lane – Mr. Wisman had previously stated that he would make installment payments on his delinquent sewer and water accounts. Since no payments have been made, his accounts were turned over to the District Judge for collection. Discussion was held on the possibility that the water could be shut off at this residence, to force payment. After discussion, there was a Holman/Auxt motion to authorize the Solicitor to contact Mr. Wisman and tell him he needs to sign a written agreement setting up installment payments before the July 1st meeting, or proceedings will be initiated to enter his property for Sheriff's sale.

Sheriff's Sale Proceedings – The Authority had previously voted to initiate Sheriff's sale proceedings when a delinquent account reached \$2,500.00. Henry questioned if that threshold should be reduced, noting that an account would be delinquent for three years before action is taken. Since two members were not present at this evening's meeting, Chairman Auxt will send everyone an email asking them to consider if the \$2,500.00 threshold should be lowered.

2008 Flow Analysis Report – Susan noted that the 2008 Flow Analysis Report prepared by Engineer William Hill calculates the District's actual EDU usage at 71. She stated that the District is only being billed for 67 EDUs, a difference of 4 EDUs, or \$260.00 per month. She stated that the report also calculates Kinkora's actual EDU usage at 41 EDUs. Kinkora is currently being billed for 27 EDUs, a difference of 14 EDUs, or \$910.00 per month. After discussion, there was a Holman/Knaub motion to send a letter to both the District and Kinkora, increasing their billing EDUs effective with the August 1st billing, and inviting them to attend the July 1st meeting if they have questions. Motion passed by unanimous vote of the Authority.

Treasurer's Report

Invoices and Expenditures – After discussion, there was a Knaub/Holman motion to approve payment of the May 2009 invoices totaling \$57,425.74. Motion passed by unanimous vote of the Authority. Susan stated that new bank checks were needed, but the cost was not yet known. She stated that she would prepare a check for signing before the next meeting and that the purchase would appear on next month's financial reports.

Financial Report – After review, there was a Holman/Knaub motion to approve the Financial Report for the period May 1 through May 31, 2009, subject to audit. Motion passed by unanimous vote of the Authority. It was noted that the balance of all accounts was \$741,696.89. However, \$30,012.49 is earmarked for escrows and repair of the Market Street line. An additional \$307,627.98 has been set aside for capital projects – unexpected major expenses for equipment failures and replacement of infrastructure.

Tapping Fee Installment Payments – Susan presented a spreadsheet of all customers who are delinquent with their tapping fee installment payments. The Solicitor explained that all customers opting to pay their tapping fee in installments signed an agreement, and a lien in the amount of the tapping fee was entered against their property. The agreement states that, if a payment is missed, the account is considered to be in default and the property can be entered into Sheriff's sale. The Solicitor will contact the customers who have not made any payments since signing the installment payment agreement. He will inform them that they must make their accounts current by the July 1st meeting, or he will proceed with Sheriff's sale as directed by the Authority.

Executive Secretary Report See written report

The Executive Secretary report was reviewed without comment.

JOAC Report

The next JOAC meeting will be held on Monday, June 15th. One item that needs to be discussed is ownership and insurance coverage of the metering pits. Susan stated that she would contact Advance Publications the next day for advertisement of the meeting. Chairman Auxt stated that a recording secretary would be needed for the meeting, and that he would probably not be in attendance. Henry volunteered to take the minutes. Elmer stated that he would not be able to attend the meeting.

Correspondence

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

Old Business

District ROW Issues – This item was discussed earlier in the meeting.

DEP Mailer for Penn Tech Deployment, Business Campus One – Susan stated that the Township Secretary forwarded the mailer for Penn Tech Deployment to the Authority. The mailer is to be filled out and returned to the Secretary, along with a copy of the letter stating that capacity is available in the Borough WWTP.

New Business

Disposal of Sensitive Documents – Susan noted that there are several boxes of documents containing bank account numbers that need to be destroyed and asked how best to do it. She stated that the office shredder was made for light duty and was not suitable for the job. It was suggested that they could be taken to someone who has an outside wood burner, or who is burning a large brush pile, and monitor that the documents are burned. Chairman Auxt noted that a large number of old Authority records are stored in the Cove WWTP and asked if they could be disposed of. The Solicitor responded that he had provided the Authority office with guidelines for retention and disposal of public documents.

Developer's Specification for Sewer Construction – Susan reported that the copies of the *Developer's Specification for Sewer Construction* have been sold and new ones are needed. She stated that staff will try to make copies from the CD provided by the Engineer. In case that does not work, the CD will be taken to Kinko's for duplication.

Office Equipment – Henry asked if the efforts to connect the office computers to the copier were successful, and was told they were. Susan relayed that Tri-County Telephone was in the office earlier in the day to see if the fax machine could be made to operate in conjunction with the bundled service recently purchased from Embarq. She stated she had to leave the office before he was finished and was unsure whether or not he had been successful.

Insurance Carrier for Package Policy – After discussion, it was the consensus that the Authority was satisfied with H. A. Thomson and that it would not request quotes from other insurance carriers.

Charles Sturgeon Connection Permit – Susan reported that she had found a connection permit paid for by Charles Sturgeon in 2002 for a vacant lot on Butchershop Road. However, the property has since changed hands at least one time. She stated that she is concerned that some future owner might want to develop the land, and pay for another connection permit. She added that there are currently two files for connection permits – one arranged alphabetically by owner, and the second arranged by permit number. Henry suggested that a spreadsheet be set up so that permits could also be arranged by parcel number, which never changes.

Adjournment

With all business completed, a Knaub/Holman motion for adjournment was made at 9:58 p.m. Motion passed by unanimous vote.

Susan Long

Recording Secretary