

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

May 11, 2015

The Penn Township Municipal Authority (Authority) met on Tuesday, May 11, 2015 in the Duncannon Borough Building, immediately following the JOAC meeting. Chairman Henry Holman, III, called the meeting to order at 7:00 p.m.

Authority members present:
Henry Holman, III, Chairman
Jim Kocher, Vice-Chairman
Elmer Knaub, Secretary
Sam Auxt, Asst. Secretary
CeCe Novinger, Asst. Treasurer

Professional staff present:
Dennis Shatto, Esq., Solicitor
Randy Bailey, P.E., Wm. F. Hill Associates

Authority staff present:
Susan Long, Treasurer, Recording Secretary

Visitors present:
Bill Siegel, SEDA-COG
Dan Greene, SEDA-COG

Background

The Authority has been awarded entitlement funding for two separate Community Development Block Grant (CDBG) applications from the Perry County Commissioners in the amount of \$196,610.00. It has also been awarded competitive funding from the Department of Community and Economic Development (DCED) in the approximate amount of \$700,000.00. Both of these grants must be used before December 31, 2015. The funding is to be used for upgrades to the Sunshine Hill water system. As the project evolved, involvement of the Pfautz Apartment complex (Pfautz) has been discussed. The original plan called for a fire hydrant to be installed on Butchershop Road to provide fire protection for Pfautz. When it was discovered that the Pfautz water supply contained arsenic, Pfautz contacted the Authority about a possible inter-connection with the Sunshine Hill water system. Pfautz is under an order from the Department of Environmental Protection (DEP) to correct the arsenic problem by October 31, 2015.

As the application for the competitive funding evolved, it got to the point where the project was defined as “improvements to the water system and inter-connection of Pfautz”. This inter-connection is now in question. Mr. Siegel and Mr. Greene were invited to meet with the Authority, the Authority’s engineer and solicitor, and Pfautz representatives to discuss the implications to the funding if the inter-connection does not take place. The Pfautz representatives were unable to attend due to a scheduling conflict.

Meeting

Mr. Siegel stated that he had talked to Suzie Hammaker, one of the owners of Pfautz's corporation. Ms. Hammaker told him that the corporation has decided, as a business decision, to head in a different direction than inter-connection. He offered his opinion that the corporation may have made that decision because it was concerned that its DEP deadline for arsenic compliance is October 31st, while the project completion date for the competitive portion of the funding is not until December 31st. Mr. Siegel responded to her that without the inter-connection the Authority's competitive grant funding is in jeopardy. He then told her that he and Mr. Greene were willing to negotiate the October 31st deadline with DEP on Pfautz's behalf.

Mr. Siegel explained to the Authority that he has found that DEP is willing to work with individuals and groups when it finds out that there is movement towards compliance of an order. Mr. Siegel said that he was in attendance to discuss ways to salvage both the competitive and entitlement grants, so that the money can benefit the community. He stated that DCED might be willing to extend the completion date of the project beyond December 31st. He offered the services of SEDA-COG as an advocate to negotiate with both DCED and DEP.

According to Mr. Siegel, to be considered for CDBG funding, the federal government requires that 51% of the population served by the grant must be classified as low-moderate income. The latest survey showed that 51.14% of the population was low-moderate income. Since this is such a close margin, he would like to go back to DCED and have it confirm the survey results.

Mr. Siegel noted that with the \$900,000.00 competitive funding, the Authority has to borrow \$600,000.00 for the project. Without the funding, the Authority has to borrow \$1,500,000.00. Therefore, it is very important that the Authority do everything possible to get Pfautz to inter-connect. Salvaging the \$900,000.00 grant will enable the Authority to construct a facility that can accommodate future customers and bring in more revenue.

Mr. Siegel relayed the Pfautz corporation's conditions that must be met for Pfautz to inter-connect. After discussion, there was a Novinger/Auxt motion for Mr. Siegel to take the following three-part counterproposal back to Pfautz: The Authority has requested SEDA-COG to negotiate with DEP on Pfautz's behalf to extend the compliance order deadline. The Authority will install a water line along Pfautz Road to the top of the hill, along with a meter pit and fire hydrant, and will take ownership of those facilities. The Authority will waive its \$350.00 connection fee for each unit served. Motion passed, with Chairman Holman abstaining due to conflict of interest.

Engineer Randy Bailey noted that bids have been received for the project. Mr. Siegel explained that, if there is a grant funding issue, state law requires the low bidder to hold for 120 days. He recommended that the Engineer should go back to the low bidder and explain the situation and the reason for the delay in awarding the bid.

In the event that Pfautz does not accept the counterproposal, Mr. Siegel stated that he would go to DCED and explain that the corporation withdrew from the project. He would also tell DCED that the Authority still wants to provide fire protection for Pfautz's residents and ask for consideration in funding the project. If DCED withdraws its funding, Mr. Siegel will do everything possible to salvage the \$200,000.00 CDBG entitlement funding from Perry County.

Adjournment

With all business concluded, an Auxt/Novinger motion for adjournment was made at 9:03 p.m. The motion passed unanimously.

Susan E. Long
Recording Secretary