

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

January 4, 2017

The Penn Township Municipal Authority (Authority) met on Wednesday, January 4, 2017 in the Penn Township Municipal Building. Chairman Henry Holman, III, called the meeting to order at 7:00 p.m. He led the group in the recitation of the *Pledge of Allegiance* and a moment of silence. He announced that the meeting was being recorded to aid in preparation of the minutes.

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

Professional staff present:
Dennis J. Shatto, Solicitor

Authority staff present:
Susan Long, Treasurer, Recording Secretary
Lew Massie, Plant Operator, Facility Operation And Maintenance, Inc. (FOAM)
Jim Delaney, FOAM
Jody Hoffman, Field Representative, IJ Technical

Visitors present:
Dave Hammaker John Koelsch
Suzanne Hammaker Michael Ward
Bob Johnson Jim Ryan, Perry County Times

Minutes

Upon a Novinger/Knaub motion, the Authority voted to approve the December 4, 2016 minutes as corrected.

Visitors

Dave Hammaker, Representing Pfautz Rentals (Pfautz)

Mr. Hammaker was in attendance to discuss the \$10.00 per EDU monthly sewer rate increase, He noted that Pfzautz has 174 EDUs and that the increase would cost \$1,740.00 per month, or \$20,880.00 per year. He explained that Pfautz's tenants sign a one-year lease, and changes in their rent can only be made with a notice 60 days prior to the expiration of that lease. Upon receipt of the rate increase letter, Pfautz immediately gave notice to those tenants whose leases expire March 1st.

Mr. Hammaker requested a sliding increase scale to increase rates by \$2.50 per EDU on a quarterly basis as follows:

1 st Quarter	\$2.50 per EDU
2 nd Quarter	\$5.00 per EDU
3 rd Quarter	\$7.50 per EDU
4 th Quarter	\$10.00 per EDU

Chairman Holman responded that the Authority has been discussing its finances and the need for a rate increase for months. He apologized that the Authority had not given Pfautz, its largest customer, more notice before the rate increase took effect.

The Authority was very sympathetic to Pfautz's request and recognized that Pfautz has always paid its bills on time. The members explained that the Authority's revenue has not been enough to cover its expenses, that something had to be done, and this was the something. The Solicitor noted that PENNVEST had sent a letter to the Authority, questioning its finances and ability to keep making its loan payments. To satisfy PENNVEST, the Authority responded that it would be raising its rates in 2017.

As an aside, CeCe asked Mr. Hammaker if he was aware that the Township had just raised its real estate taxes by 1.1 mils, the impact that would have on Pfautz, and if he planned to approach the Township also? Mr. Hammaker was not aware of the tax increase and said he would have to research it.

Pfautz also asked the Authority to consider a Vacancy Rate Discount for rental property owners. The letter noted that Marysville Borough gives a 60% discount on valid vacant apartments; Pfautz is asking for a 50% discount. Chairman Holman stated that the Authority would discuss this request in six months, after it analyzes the effect of the rate increase.

Regarding the request for Pfautz to pay its monthly sewer charge on a sliding scale, it was the consensus of the Authority to deny it, based on its current financial situation.

John Koelsch, 36 Jefferson

Mr. Koelsch was in attendance to discuss the water line break that shut off water to his house on Monday, January 2nd. When the break was repaired on Tuesday his water did not come back on. Field Representative Jodi Hoffman stated that the line between the curb box and Mr. Koelsch's house (branch line) was clogged. Mr. Koelsch stated that he finally got water by opening up a faucet. He first got a trickle of water and as the water continued to run, it opened up the line.

Chairman Holman told Mr. Koelsch about the status of the water project, stating that grant funding might become available to build a water storage tank and a water treatment facility, but not enough to replace the entire infrastructure. He explained that the branch line is the homeowner's responsibility to maintain. Noting that Mr. Koelsch's house was 53 years old, he explained how the copper branch line is probably corroded and should be replaced. He suggested that Mr. Koelsch might want to consider, when his finances allow it, replacing that line with 1-inch diameter HDPE 200-psi pipe

Engineer Report

See written report dated January 4, 2017.

The Engineer was not present. The following items were discussed.

Sunshine Hill Water System PA DEP Consent Order (Order)

PA DEP has decreed that Well #1 must be physically disconnected, with the water line capped. Chairman Holman stated that he and his brother will volunteer to disconnect the well under the auspices of the Authority. He stated that the job should be finished the second weekend in January, and requested that Operator Lew Massey be there in case there are any problems.

Mike Ward (MW2, Inc.) Sewer Extension Project

Mr. Ward had been requested to attend the meeting to discuss the high amount of effluent he is discharging into the sanitary sewer. MW2 had paid for 10 EDUs, but has been discharging 29 EDUs. Mr. Ward was asked what measures he intended to take to bring his usage down so that the Authority did not need to take any legal measures to attain compliance.

Mr. Ward responded that he is checking each of his rental units for water leakage, and is replacing toilets and shower heads. He stated that he has discovered more people are living in some of the units than should be, and he will rectify that.

Mr. Ward stated that he would not discount the possibility that there is Inflow and Infiltration (I&I) entering his system. However, he repeatedly stated that he feels the biggest I&I source is the responsibility of the Penn Township Supervisors. He explained that there has been a long issue with storm water drainage on Schoolhouse Road. During periods of heavy rain, the water comes down from the road, crosses his property over two manhole covers, and rushes out onto SR 11/15. He again stated that the Supervisors need to clean the storm drains on Schoolhouse Road. Jody told him that he could put O-rings in the manholes to keep the stormwater from entering the manholes.

Chairman Holman told Mr. Ward that he needed to contact the Supervisors and get his I&I problem settled. CeCe suggested that he call the office and contact the Township road master, who has stated that he is willing to meet with anyone about road issues.

Chairman Holman gave Mr. Ward 30 days for the Authority to see some indication that less discharge is entering the sewer, and to know that Mr. Ward is trying to resolve the issue. He added that by March 2017 Mr. Ward should be able to tell if he can solve the I&I issues or will have to buy additional EDUs.

When informed that his escrow account was in arrears, Mr. Ward responded that he had only received two escrow expenditure breakdowns and would not pay any more until he receives a complete breakdown. He also questioned why his escrow is still being charged since the project is finished. He stated that he did not feel that it was his responsibility to pay for the Authority's Engineer to monitor his usage.

Operator Report

See the written report dated January 4, 2017. The following are the major items discussed.

Pump Station #1

Operator Lew Massey reported that he received an emergency alarm call from Pump Station #1 at Maguire's Ford at 2:00 a.m. on December 20th. IJ Technical pulled both pumps, unclogged them and returned them to service.

Cove WWTP

Lew reported that IJ Technical will install the redundant high water alarm float switch in the Cove pump station on Thursday, January 5th. He added that quotes are still being obtained for an alarm telemetry system.

Field Representative Report

Generator Maintenance

Jody noted that he met with Stephenson's Generator Service, who found that the extension cords to the block generators were bad. Lew then noted that FOAM's contract for pump station maintenance included generator maintenance and asked for clarification on who should be contacting Stephenson. He was told to make any necessary contacts with Stephenson's Generator Service in the future. Lew will follow up on the replacement of the extension cords.

Master Meter Report

The master flow meter report was included in the Correspondence Folder for the members' review.

Penn Township Supervisor (PTS) Report

CeCe reported that there would be a Supervisor's meeting on January 23rd at 7:00 p.m. to discuss the application submitted for installation of a medical marijuana facility at Business Campus One.

Solicitor Report

Perry County Beer

Solicitor Dennis Shatto reported that the owner of Perry County Beer, Joe Phillipone, has his contractor working on design specifications for the Authority's engineer. He will contact Mr. Phillipone and relay that the Authority will pay for the cost of a tee to be added to the lateral. He will also inform Mr. Phillipone that the Authority will need \$2,500.00 to set up an escrow account for the project.

Delinquent Accounts

The Solicitor reviewed the list of accounts delinquent as of December 31, 2016. He noted the accounts that will be listed on the January and April Sheriff's Sale docket. He also noted that the cost of each filing with the Sheriff's office has increased from \$750.00 to \$2,500.00. While the Authority will recoup the expenses from the property sale and get a refund for unused monies, it is still a large tie-up of the Authority's money for several months.

Water delinquencies total \$21,391.92. Sewer delinquencies total \$84,893.63. The Authority will continue to follow its procedure for filings with the District Judge and the Perry County Prothonotary.

Treasurer Report

Invoices and Expenditures

After review, there was a Novinger/Kocher motion to approve payment of the December 31, 2016 invoices totaling \$67,728.27. Motion passed unanimously.

Financial Report

After review, there was a Novinger/Kocher motion to approve the Financial Report for December 31, 2016, subject to audit. Motion passed by unanimous vote of the Authority. The December 31st balance of all accounts was \$162,146.84. However, \$858.77 is earmarked for escrows, and \$75,233.27 is earmarked for future projects. \$86,054.80 is available for capital projects – major expenses for equipment failures and replacement of infrastructure - and operating expenses.

Executive Secretary Report

There was no report

JOAC Meeting

The JOAC meeting will be held Thursday, January 19th, at 6:30 p.m., in the Duncannon Borough Office at 428 High Street.

Incoming/Outgoing Correspondence

The Correspondence folder was reviewed individually during the meeting. Members are to let the office know if they want a copy of any item of correspondence.

Periodicals

The newest periodicals are put on the table for the members to take. Leftover periodicals are discarded after the meeting.

Old Business

Old business not discussed earlier in the meeting:

Newsletter Articles

By consensus, the monthly delinquency report will be submitted to the Township Secretary for inclusion, with the approved monthly minutes, on the Township's website. It will also be included in the Township's Spring newsletter. Included in the articles for the newsletter will be the homeowner's responsibility for the branch water line, the Authority vacancy, and an update on the water project.

New Business

Authority Vacancy

Several people have been approached about filling the vacant seat on the Authority, but have declined. The Authority will continue its search.

Abatement for 22 Watershed Drive

The owner of the Watershed Drive property sent a letter requesting abatement of sewer charges for the property. The letter explained that the property has been vacant for several years, and the owner has no intention of using it as a dwelling. The electric and water services have been disconnected. After discussion, and upon a Novinger/Kocher motion, the Authority voted unanimously to grant the abatement.

2017 Re-organization Meeting

Members were reminded that February 1st is the date of the Authority's re-organization meeting.

Adjournment

With all business completed, a Kocher/Novinger motion for adjournment was made at 9:54 p.m. Motion passed by unanimous vote.

Susan E. Long

Corresponding Secretary