

WAYNESBORO BOROUGH AUTHORITY

SEPTEMBER 16, 2014

MINUTES

Authority Chairman Jon Fleagle called the regularly scheduled meeting of the Waynesboro Borough Authority to order at 6:20 p.m. (this meeting was held at the Waynesboro Water Treatment Plant, at the conclusion of a picnic/tour of the facility, which began at 5:00 p.m.).

The following were in attendance:

Borough Authority Members – Jon Fleagle, Christopher Snively, Lee Layman and William Pflager (S. Allen Stine was absent)

Borough Staff – S. Leiter Pryor, Director of Borough Utilities
D. Lloyd Reichard, II, Authority Solicitor
Scott Crum, Chief Draftsman-Inspector

APPROVE MINUTES: Christopher Snively made a motion to approve the minutes of the July 21, 2014 joint meeting with Waynesboro Borough Council, the August 19, 2014 regular meeting, and the August 28, 2014 special meeting, as written. William Pflager seconded; the motion passed unanimously.

UPDATE – SEWER PLANT UPGRADE: Leiter Pryor reported that the project is starting to “wind down”. The valve by the digester was repaired, without excavation, and is working fine. The paving has been completed; but sealing is still required around the curb lines, fences and manholes. A final punch-list (mostly touch-up painting) will be generated in the near future, and it is anticipated that a final walk-thru will be conducted at the job meeting scheduled for 09/22 at 9:00 a.m.

Mr. Pryor noted that the only major outstanding item is the harmonic balancing units for the electrical system. The contractor insists that they were under-sized, and Gannett Fleming's review/confirmation is required. Chairman Fleagle noted that this matter should be discussed at the upcoming job meeting.

Mr. Pryor added that much of the garage has been cleaned up. The floors in the garage, control room, office, lab, boiler room and electrical room will be painted (hopefully) by the end of September.

Discussion followed regarding the sludge issue, and Mr. Pryor noted it will probably be discussed at the job meeting. Kinsley has paid the dewatering company, and the remaining question is if any of the charges are the WBA's responsibility. Mr. Pryor suggested that one (1) volume of the secondary digester (approximately \$40,000)

should be the WBA's responsibility; but the remaining would be Kinsley's.

Mr. Pryor noted he will check with the Borough's maintenance department to see if they are interested in utilizing the old gen-set; and if not, he will pursue selling it..

Scott Crum reported that he noticed a grading issue above the mudwell, as there are large openings at the insulated valves by the blowers. Mr. Fleagle noted that this should be corrected in order to avoid any safety issues.

Mr. Pryor noted that touch-up work on the digester lid will be done when the painter returns to complete some of the gas lines, etc. that were missed. He noted that all the work in the basement of the digester has been completed. The digester is slightly "out of whack" right now, as there was a lot of material added at once. This resulted in a foaming issue, but it seems to be settling down. He added, however, that the chemical balance is fine.

Mr. Pryor noted that there was a problem with the mixer in the magnesium hydroxide storage tank, which was determined to be a materials handling problem (because our personnel was not instructed properly on how to handle the material). They were told to keep it stirred all the time ... but that created friction and turned the material to a concrete-like state and burned up the motor. They are currently working on removing the material from the tank.

Leiter Pryor presented three (3) options available for the ingress/egress gates. He explained each and provided proposed pricing. The matter will be reviewed on-site at the upcoming job meeting and a decision can be made at that time. .

UPDATE – WATER LINE REPLACEMENT (CEMETERY AVENUE): Leiter Pryor noted it was determined that the water line in Cemetery Avenue will need to be replaced. The pipe has been ordered and delivered, and the Borough's maintenance crew plan to begin work on the installation next week. They anticipate completion in approximately two (2) days. The 2" galvanized line for the irrigation system at the Golf Course will also be replaced (up to the pump); and the line from the pump out will be the responsibility of the golf course lessee. Denny Benshoff has advised that the paving work will be completed this fall.

UPDATE – POWER SURGE DAMAGE (STP): Leiter Pryor reported that a \$500 check was received from Allegheny Power, which is their maximum payout to commercial customers for the power surge. The check will not be cashed, as it would constitute a "release in full for any and all claims". Mr. Pryor noted that PSI is pursuing the matter with Eaton, but he will also contact Eaton directly. In addition, Mr. Pryor was instructed to correspond with Allegheny Power that the WBA is not satisfied with their \$500 offer and would like payment in full for the damages.

UPDATE – GOLF COURSE TRANSITION: Mr. Pryor reported that the bathrooms are almost complete; and the HVAC system has been installed and is operating (with a

one-year warranty). Mr. Baker and Mr. Becker have signed the lease agreement and are ready to assume operations effective 10/01/2014. In fact, they have already begun work in the Pro Shop. Lee Layman made a motion to authorize the Authority Chairman to execute the lease agreement on behalf of the WBA. Christopher Snively seconded; the motion passed unanimously.

Mr. Pryor noted there is a provision in the lease regarding sub-leasing the facilities. As the lessees are pursuing other activities during the winter months (such as snow tubing, cross-country skiing, etc.), and the WBA must approve any such activities, it was suggested that these matters be handled by a Memorandum of Understanding. Insurances would need to be in order and name the WBA as a insured. Mr. Fleagle stated that activities of this nature should be encouraged and supported. Mr. Pryor added there was a minor "snag" with transferring the Borough's golf cart lease agreement ... he will keep the WBA informed.

UPDATE – NPDES PERMIT RENEWAL FOR STP: Mr. Pryor reported that the third round of WETT testing began this week, and one (1) more round is required after that. The permit application was submitted last week, and he will send the chemical analyses to DEP upon completion. He is hoping there will be no major changes in the permit requirements.

Discussion followed regarding the new limits which took effect on 10/01 and the possibility of realizing any nitrogen credits. It was suggested that the terms of the PENNVEST loan could be re-negotiated to share the credits (perhaps 50/50) with DEP.

Chemical costs for the new process were also discussed. Mr. Pryor indicated they have increased by approximately \$100,000+/year. WBA members may need to re-visit the need (if any) to increase sewer rates prior to finalizing budget figures. Mr. Pryor stated he is planning to distribute the first edition of the budget for discussion at the October meeting.

2013 WATER AND SEWER FUND AUDITS: WBA members received a copy of the 2013 Water and Sewer Fund audit report from Smith Elliott Kearns & Company. Mr. Pryor noted there was only one (1) negative finding – with regard to weekly transfers (of utility bill payments) from the Borough's Clearing Account to the WBA Water and Sewer Revenue Funds. As there were some errors made when transferring the monies, a mechanism was recommended (and has been put in place) whereby several staff members are reviewing the transfers to ensure the appropriate amounts are transferred properly.

Mr. Fleagle noted that page 5 of the audit report references a capital reimbursement for the Borough conference room, which was done several years ago. He would like clarification on why it is just now showing up in 2013.

In addition, he requested clarification on the mention of a policy on custodial credit risks for deposits on page 8.

Discussion followed regarding the small amount of interest being realized on the Tank Maintenance Fund invested with PLGIT. Mr. Pryor noted that this is WBA money, but is currently invested in the Borough's name. He would like to obtain quotes from Susquehanna and move the investment from PLGIT. WBA members concurred. He added that the direct deposits received for cell tower rents will also need to be changed.

Page 9 notes that a transfer of \$34,478 is needed from the Sewer Revenue Fund to the Water Revenue Fund (because the Borough erroneously deposited water revenues into the Sewer Revenue Fund). William Pflager made a motion to authorize the transfer. Christopher Snively seconded; the motion passed unanimously.

Mr. Fleagle questioned the \$18,571 listed as capital purchases from the PLGIT Tank Maintenance Fund. Mr. Pryor recalled that it was a partial water line project (perhaps N. Church Street), and he will confirm that information.

PROPOSAL REGARDING PROPERTY ON ANTIETAM LANE: Mr. Pryor noted that he received an email regarding the one-acre property on Antietam Lane which an individual was interested in selling to the WBA. The property had been appraised and an offer was made, however no response had been received until now. (The gentleman's parents passed away and he was settling the estate.) He is now interested in re-visiting the matter, and Mr. Pryor suggested the offer remain the same. WBA members concurred.

PROPERTIES ON S. WELTY ROAD: Scott Crum noted there was some question about whether the properties on S. Welty Road are in the WBA's direct or indirect water service area, as WTMA has requested the WBA serve them. After clarification of the situation, it was confirmed that the properties are in WTMA's service area, but the WBA will agree to serve them as indirect customers.

PAY BILLS: Christopher Snively made a motion to approve payment of the following requisitions --

Sewer Construction Fund Requisition #1127 - Gannett Fleming Companies - \$6,398.66 - Construction Management related to WWTP Nutrient Upgrade Project for the period of July 26, 2014 through August 22, 2014

Sewer Construction Fund Requisition #1128 - Gannett Fleming Companies - \$1,644.90 - Engineering assistance to Waynesboro Borough Authority associated with PENNVEST financing for the Wastewater Treatment Plant Rehabilitation Project during construction for the period of July 26, 2014 through August 22, 2014

Sewer Revenue Fund Requisition #SA-126 - Kinsley Construction, Inc. - \$4,500.00 - Sidewalks at WWTP (work performed August 18-22, 2014)

Sewer Revenue Fund Requisition #SA-127 - D. Lloyd Reichard, II - \$941.25 -
Base Retainer for Legal Services for October 1, 2014 to December 31,
2014

Water Revenue Fund Requisition #14-21 - Land + Forest Conservation Company
- \$2,575.00 - ATV Forest Regeneration and Spraying at Watershed

Water Revenue Fund Requisition #14-22 - S. Leiter Pryor - \$127.57 -
Reimbursement for WBA meeting supplies

Water Revenue Fund Requisition #14-23 - D. Lloyd Reichard, II - \$941.25 - Base
Retainer for Legal Services for October 1, 2014 to December 31, 2014

William Pflager seconded; the motion passed unanimously.

Having no further business to discuss, the meeting adjourned at 7:50 p.m. on a
Snively/Pflager motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant