

WAYNESBORO BOROUGH AUTHORITY

FEBRUARY 22, 2011

MINUTES

Authority Chairman Jon Fleagle called the regularly scheduled meeting of the Waynesboro Borough Authority to order at 7:30 p.m. with the following in attendance:

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

Borough Staff – S. Leiter Pryor, Director of Borough Utilities
D. Lloyd Reichard, II, Authority Solicitor

APPROVE MINUTES: Allen Stine made a motion to approve the minutes of the January 18th meeting, as written. Christopher Snively seconded; the motion passed unanimously.

SEWER PLANT UPGRADE - FILTER BID RESULTS: Chairman Fleagle noted that bids for the denitrification filters were opened on 01/25. Three (3) bids were received, the lowest of which was \$675,000 from ITT. It was noted that ITT was lowest on the 20-year life cycle analysis as well. William Pflager made a motion to award the contract to ITT, contingent upon review of the bonding/insurance by the Authority's Solicitor and receipt of a Letter of No Prejudice from PENNVEST. Lee Layman seconded; the motion passed unanimously.

Leiter Pryor reported that, over the past several weeks, Gannett Fleming's subcontractor has been on-site at the Sewer Treatment Plant to do sub-surface borings to determine the suitability for building structures there. Previous conversations included placing the denitrification filters in the uncovered drying bed area adjacent to the garage. After doing borings there, however, they found some unsuitable sub-surface conditions which will require some significant foundations to support those structures. Several other areas have been explored, and Gannett Fleming provided a drawing showing a potential new location for the filters. He explained that they were basically shifted "up the driveway a little" to across from the covered drying bed area. Some excavation will be required at this location because of the steep bank, but the borings indicated there were better conditions for the foundation.

Lengthy discussion followed, and Leiter Pryor was instructed to check with Mark Malarich to see if it would be cheaper to dismantle/relocate the existing chlorine contact tank and put the filters there. Because of time constraints, Mr. Pryor requested permission to contact the Authority members with Mr. Malarich's response so a decision can be made prior to the next meeting.

Mr. Pryor noted that he received an email from Mark Malarich regarding the applications (and fees) to be submitted to various agencies with regard to permitting for the upgrade. The appropriate requisitions have been prepared for approval at this meeting. Lee Layman made a motion to authorize execution of the applications (when available) and payment of the appropriate fees. Christopher Snively seconded; the motion passed unanimously.

INTERIM FINANCING PROPOSALS - STP FILTERS: Leiter Pryor provided a breakdown of the proposals received for interim financing. He noted that all are similar (with the exception of M & T, who provided for a variable rate). Since opening of the proposals, a representative of the First National Bank of Mercersburg has advised that they can do a better rate than was quoted. (They quoted 3.15%, but feel they can do 3%. This, of course, will require approval from their bank committee.)

Allen Stine made a motion that if the First National Bank of Mercersburg returns with a rate of 3.15% or less, Leiter Pryor be authorized to poll the WBA members and proceed. William Pflager seconded; the motion passed unanimously.

PENNVEST RESOLUTION - REIMBURSEMENT FOR PROJECT COSTS: Leiter Pryor presented a proposed Reimbursement Resolution for WBA approval (another requirement of PENNVEST). The resolution states that the WBA “intends to use short-term borrowed funds and its General Funds, to finance on an interim basis, the costs of the Waynesboro Wastewater Treatment Plant Upgrades (“Project”) which costs are reasonably expected to be reimbursed with the proceeds of debt to be incurred by the Borrower, up to the maximum principal amount of \$14,000,000.” Christopher Snively made a motion to authorize execution of the proposed resolution. Lee Layman seconded; the motion passed unanimously.

Lee Layman then made a motion to authorize Leiter Pryor (and Gannett Fleming) to seek a Letter of No Prejudice from PENNVEST for the upgrade project. William Pflager seconded; the motion passed unanimously.

Chairman Fleagle requested that Leiter Pryor prepare an analysis to determine when another rate increase will be required.

BIOSOLIDS ANALYSIS REPORT: Leiter Pryor noted that he received correspondence from DEP regarding elevated levels of Molybdenum contained in the sewage sample tested for the previous quarter. The levels exceeded the permissible concentration allowed for land application; and accordingly, DEP has recommended that additional samples be collected and no sewage sludge be land-applied until the Molybdenum concentration is below the required level. Mr. Pryor reported that the staff has since been polling industries and doing investigative work to determine the source.

In addition, the Borough’s current Sewer Use Ordinance was adopted in 1985 and did not include limits for Molybdenum. Mr. Pryor has already spoken with Borough Council about the need to modify the ordinance to include Molybdenum; and is working with Gannett Fleming on a formula to determine a fair limit. Chairman Fleagle stressed the need to determine where it is coming from and to put a stop to it so the WBA doesn’t have to spend another \$250,000 to dewater the sludge again. Leiter Pryor will present a recommendation on proposed modifications to the Sewer Use Ordinance. He was also instructed to obtain ordinances being used by various other municipalities to ensure that no other limits should be included.

BILLING SOFTWARE IMPLEMENTATION UPDATE: Leiter Pryor reported that Jason Cohen has been spearheading implementation of the new billing software. A data conversion was submitted recently, and side-by-side billings will be run next month (with both the old and new systems). On April 1st, bills will commence being printed from the new system. The software vendor has suggested waiting to implement online bill payment until the billing system is “up and running” for a month or two. Accordingly, it will probably be mid-June (at the earliest) for the online bill pay program to be available to customers.

Mr. Pryor noted that costs associated with online and credit card payment are still being reviewed by the Borough Manager and Assistant Borough Manager. They will be taking a “field trip” to Pottstown in the near future to look at the Express Bill Pay system being utilized by a utility there. He stated that they have also talked with some of the local lending institutions regarding merchant services; but they can’t come “anywhere close” to what Express Bill Pay is offering. He added that a convenience fee for these services is also being considered.

WTMA SEWER CUSTOMER DATA REQUEST: Chairman Fleagle noted that WTMA is discussing changing to a consumption-based sewer billing structure, rather than a flat rate per EDU. They are requesting information from the Borough regarding customers’ water usage in order to do an accurate

analysis. Mr. Pryor noted that this will be quite time consuming with the “old” billing system (and a programming fee may be involved), but it may be much easier with the new billing system. WBA members agreed that WTMA should be advised that the information will be provided after the new billing system is “up and running” (which is tentatively scheduled for 04/01).

KEYSTONE ENGINEERING PROPOSAL - PAPERLESS DOCUMENT STORAGE: Mr. Pryor noted that this proposal was submitted in response to an inquiry by Gordon Cruickshanks. WBA members reviewed the proposal and decided to take no action at this time.

FUND TRANSFERS: Leiter Pryor noted that tap fee transfers were not made in 2009 or 2010 because the Borough’s books had not been completely balanced. Accordingly, he presented the following information with regard to required fund transfers:

Water Tap Fees
2009 - \$192,000
2010 - \$111,000
TOTAL: \$303,000

Lee Layman made a motion to authorize Leiter Pryor to make a transfer from the Water Revenue Fund to the Water Construction Fund in the amount of \$303,000. Christopher Snively seconded; the motion passed unanimously.

Sewer Tap Fees
2009 - \$94,000
2010 - \$32,000
TOTAL: \$126,000

William Pflager made a motion to authorize Leiter Pryor to make a transfer from the Sewer Revenue Fund to the Sewer Construction Fund in the amount of \$303,000. Lee Layman seconded; the motion passed unanimously.

COMMUNICATION PROPOSALS: Leiter Pryor noted that Jason Cohen has been looking into alternate proposals for communication services, and the Borough is considering changing to digital voice service with Comcast for the various Borough facilities (at a significant savings). This will include the Sewer Treatment Plant, but not the Water Treatment Plant because of the distance involved (it would cost \$33,000 to run the needed cable).

PAY BILLS: Allen Stine made a motion to approve the payment of the following requisitions –

Water Requisition No. 11-01 - Gannett Fleming Companies - \$1,054.08 - Water System Engineering Services related to the performance of the duties of the Authority’s consulting engineer and other services as authorized (Part B - 2010 Annual Services) for the period of November 20, 2010 through December 31, 2010

Water Requisition No. 11-02 - Reichard Law Offices, LLC - \$913.50 - Solicitor Services for January, February and March, 2011

Water Requisition No. 11-03 - Gannett Fleming Companies - \$501.58 - Water System Engineering Services related to the performance of the duties of the Authority’s consulting engineer and other services as authorized (Part B - 2010 Annual Services) for the period of January 1, 2011 through January 28, 2011

Water Construction Fund Requisition No. WC-86 - Gannett Fleming Companies - \$919.95 - Engineering assistance to Waynesboro Borough Authority associated with PENNVEST financing for the Wastewater Treatment Plant Rehabilitation Project for the period of November 20, 2010 through December 31, 2010

Water Construction Fund Requisition No. WC-87 - Gannett Fleming Companies - \$132.22 - Water System Engineering Services related to the performance of the duties of the Authority's consulting engineer and other services as authorized (Part A - PENNVEST Assistance - Well 2) for the period of November 20, 2010 through December 31, 2010

Water Construction Fund Requisition No. WC-88 - Gannett Fleming Companies - \$190.62 - Water System Engineering Services related to the performance of the duties of the Authority's consulting engineer and other services as authorized (Part A - PENNVEST Assistance - Well 2) for the period of January 1, 2011 through January 28, 2011

Sewer Requisition No. 925 - Gannett Fleming Companies - \$24,984.35 - Engineering services to the Waynesboro Borough Authority associated with the upgrade and rehabilitation of its wastewater treatment plant for the period of November 20, 2010 through December 31, 2010

Sewer Requisition No. 927 - Gannett Fleming Companies - \$2,122.65 - Engineering assistance to Waynesboro Borough Authority associated with PENNVEST financing for the Wastewater Treatment Plant Rehabilitation Project for the period of January 1, 2011 through January 28, 2011

Sewer Requisition No. 928 - Gannett Fleming Companies - \$35,225.16 - Engineering services to Waynesboro Borough Authority associated with the upgrade and rehabilitation of its wastewater treatment plant for the period of January 1, 2011 through January 28, 2011

Sewer Requisition No. 929 - Franklin County Conservation District - \$825.00 - Erosion and Sedimentation Control Plan (FCCD Application Form)

Sewer Requisition No. 930 - Franklin County Clean Water Fund - \$500.00 - Post-construction Storm Water Management Plan

Sewer Requisition No. 931 - Commonwealth of Pennsylvania Clean Water Fund - \$600.00 - NPDES Permit for Storm Water Discharges During Construction (NOI Form)

Sewer Requisition No. 932 - Commonwealth of Pennsylvania - \$500.00 - Water Quality Management (WQM) Part II Permit for Construction of Sewage Facilities

Sewer Revenue Fund Requisition No. SA-57 - Reichard Law Offices, LLC - \$913.50 - Solicitor Services for January, February and March, 2011

William Pflager seconded; the motion passed unanimously.

UTILITY BILLING COLLECTION PROCEDURES: Leiter Pryor noted that discussion was held previously regarding the elimination of 20-day notices. Additional information has been obtained, but he has no recommendation at this time as it is still unclear if it would be beneficial or not. He noted that the 20-day notices sometimes prompt the payment of bills, so there may be an increase in 10-day notices (for a while) if the 20-day's are eliminated. He added that WTMA saw a dramatic reduction in notices required when online bill payment was offered. WBA members decided to take a "wait and see" position on the matter.

Having no further business to discuss, the meeting adjourned at 9:07 p.m. on a Snively/Pflager motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant