

WAYNESBORO BOROUGH AUTHORITY

NOVEMBER 16, 2010

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

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

APPROVE MINUTES: William Pflager made a motion to approve the minutes of October 19th (regular meeting) and November 2nd (special meeting), as written. Lee Layman seconded; the motion passed unanimously.

UTILITY SERVICE - CROWN COURT: Christopher Unger was present to discuss proposed utility services for Crown Court. He explained that he was advised that the plans needed to be re-confirmed because the property is being changed from condominium units to a Homeowners Association. Drawings were reviewed.

Mr. Pryor explained that Water and Sewer Main Agreements were previously entered into, and the lines have already been turned over to the WBA. There is a 32' utility easement (for water, sewer, telephone and gas) in the center of a private road; and each unit has its own water/sewer line and meter. The plans are consistent with the WBA's Rules and Regulations; and accordingly, he sees no problem. Kevin Grubbs also provided him with a copy of the HOA Agreement today, a copy of which was handed to Lloyd Reichard for his perusal. Discussion followed regarding reflection of the appropriate right-of-way on the drawings, and Lloyd Reichard stated that the HOA appears to be a satisfactory proforma agreement.

William Pflager made a motion to re-affirm the WBA's granting of water/sewer service, subject to review of the final drawings (with regard to the required easements/right-of-ways) by the engineering staff. Allen Stine seconded; the motion passed unanimously.

WATER & SEWER MAIN EXTENSION AGREEMENTS - VALLEY HOUSING: Leiter Pryor noted that Bill Brindle was present several meetings ago to discuss drawings for Valley Housing's proposed development to the rear of Mt. Vernon Terrace, and several changes were requested. They are proposing to install 287' of 10" sewer line plus two (2) manholes. The capacity portion of the sewer tap fees would be \$2,000/unit. Once the tap fees are paid, the Sewer Main Extension Agreement would be returned to the WBA for signature. The Authority concurred with the proposed concept.

With regard to water, Mr. Pryor explained that they are proposing to install 1140' of 6" line between Eighth and Tenth Streets. Nothing is denoted on the plans, however, for service line sizes. Concern was mentioned regarding fire service ... hopefully 4" would be adequate to serve the complex. (Leiter Pryor explained that the fire service line must be one size smaller than the existing main it is

connected to.) It was suggested that a letter could be sent approving the plan, but reminding them of the policy concerning fire service line sizes. Their plans will need to be updated to show the service lines (sizes) for both water and sewer; fees can then be paid, and the Main Extension Agreements can be executed. Locations of the fire hydrants were also discussed; and it was noted that pressures/flows should be satisfactory.

WELL #2 UPDATE: Leiter Pryor reported that the well is “running good” with no major issues (only a few minor malfunctions in the chemical feed systems). They are working diligently on closing the PENNVEST loan by the end of the year, and closeout documents should be available for the WBA’s approval at the next meeting. The well is currently operating five (5) days a week (24/7), but there are staffing issues on the weekends. (Since the additional water isn’t needed at this time, it doesn’t make sense to spend the extra money to run the well on the weekends.)

Landscaping at the well was mentioned again. Mr. Pryor noted that Craig Houghton (Penn State Forestry Department) was going to check with his students, but he has heard nothing back from him to date. He will contact Mr. Houghton again in the near future. Chairman Fleagle questioned the amount of proceeds from the latest timber sale, which Mr. Pryor reported were approximately \$9,800. It was suggested that that money could be used for the well’s landscaping.

SEWER PLANT UPDATE - DESIGN STATUS: Leiter Pryor reported that the H2O grant meeting was held this day, however nothing was awarded at this time. They were overwhelmed with applicants, with over 750 applications received (totalling \$1.9 billion dollars in requests). It is his understanding that there is approximately \$250,000,000 remaining “in the pot”, and this is the last round of funding. He anticipates additional information in approximately two (2) weeks.

With regard to the design, a time line was requested of (and received from) Mark Malarich. Copies were distributed to WBA members, and milestones of the project were reviewed. Mr. Pryor noted that he received a preliminary draft copy of specifications for purchase of the denitrification filters. He explained that two (2) types of filters will be bid; and the bid supplier will need to provide projected annual operational costs for both. An evaluation will be conducted to cost-out the operational costs over the life of the equipment, as this must also be considered when figuring bottom-line pricing. A copy of the specifications, which includes a lot of legalities, was forwarded to Lloyd Reichard for review and comment. It is anticipated that the project will be bid by the end of the year. Information on the two (2) types of filters was also provided to the WBA members for review. Because some of the equipment will be pre-purchased (prior to the PENNVEST loan closing), a letter-of-no-prejudice will be required.

Mr. Pryor noted that the first step in the PENNVEST loan process is to schedule a planning and consultation meeting to discuss the project and its proposed cost. Mr. Pryor will proceed with scheduling that meeting, with the Authority’s approval. Discussion ensued regarding bidder qualifications. It was noted that the bidders must have been in business for a period of years to demonstrate that they can achieve the limits required by the NPDES permit. There are also “hefty” liquidated damages built into the contract; and Mr. Pryor would like to discuss those with Mr. Reichard to ensure that they are adequate.

Lee Layman then made a motion to authorize Mr. Pryor to schedule a planning and consultation meeting with PENNVEST, and to request Gannett Fleming’s assistance with the PENNVEST application and project administration. Christopher Snively seconded; the motion passed unanimously.

Mr. Pryor requested that members contact him with any questions regarding the handouts he provided; and if necessary, he can request that Mark Malarich attend a special meeting to explain the information further. This could be done either prior to the bid to explain the two (2) types of filters being specified; or, perhaps more appropriately, after the bids are received to evaluate the bids received for both types of units.

The financing portion of the project was then discussed. Mr. Pryor noted that several options were reviewed. When the project is actually bid, approximately 10% of the purchase price will need to be available to pay the vendor for the shop drawings and engineering (which should be approximately \$100,000). This is in addition to the approximate \$440,000 payable to Gannett Fleming for the preliminary design work. Mr. Pryor noted that the only money that can be lent to the sewer system from the water funds is from the Tank Maintenance Fund, as it is unencumbered and not considered revenue. Potential transfers of approximately \$400,000 will be required.

Chairman Fleagle stated that a meeting should be held with the Borough's Solicitor to discuss the need for a Land Development Plan for the project. Mr. Pryor suggested that it be held the following week.

UPDATES ON ADDITIONAL ITEMS: Leiter Pryor reported that Gemcraft recently made their last payment on the Enterprise Avenue Pump Station.

Mr. Pryor noted that penalties were discussed at the WBA's last meeting. The Borough currently charges 5%, and WTMA charges a flat rate penalty of 12%. He explained the current penalty and shut-off procedure – 5% is charged after 35 days, compounding until shut-off (a 20-day notice is issued, and then a 10-day notice after that). When the ten-day point is reached, the property is posted and a \$10.00 posting fee is charged. After the service is terminated, there is also a \$75.00 administrative fee charged.

The use of credit cards for payment of utility bills was also discussed. Mr. Pryor advised that WTMA now allows for online credit card and ACH payments. Scott Crum noted that, because of the way the Borough's accounting system is set-up, a clearing account would have to be established where the payments would be deposited until they are disbursed to the various separate funds (water, sewer and refuse) on a daily basis. Mr. Pryor noted that he would like to discuss the matter further with WTMA staff, as they did a lot of research prior to implementing the program. He was requested to prepare and provide a proposal for the matter to be pursued.

Leiter Pryor reminded WBA members that Craig Mahrle was present at their last meeting. Issues developed regarding the payment of his tap fees, and a payment plan was offered. That offer was recently accepted, and he has begun to make his payments. Mr. Mahrle has also requested a payment plan be established for fees involved with the other five (5) units in his building. Mr. Fleagle noted that the original issue was an illegally-occupied apartment (and the innocent people occupying the apartment would have had to move out due to an occupancy permit not being issued); however the situation is different for the remaining five (5) units. After discussion, it was the consensus of the WBA that they are not interested in pursuing a payment plan for the remaining five (5) units.

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

Sewer Requisition #922 - Reichard Law Offices, LLC - \$913.50 - 4th Quarter, 2010 Solicitor Fees (50% paid by Water Fund; 50% paid by Sewer Fund)

Sewer Requisition #923 - Gannett Fleming Companies - \$10,866.00 - Engineering services to the Waynesboro Borough Authority associated with the upgrade and rehabilitation of its wastewater treatment plant for the period of September 25, 2010 through October 22, 2010

Water Requisition #10-23 - Reichard Law Offices, LLC - \$913.50 - 4th Quarter, 2010 Solicitor Fees (50% paid by Water Fund; 50% paid by Sewer Fund)

Water Requisition #10-24 - Gannett Fleming Companies - \$98.68 - 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 September 25, 2010 through October 22, 2010

Water Construction Fund Requisition #WC-82 - Gannett Fleming Companies - \$229.15 - Construction Management Services related to Membrane Treatment at Well No. 2 for the period of September 25, 2010 through October 22, 2010

Water Construction Fund Requisition #WC-83 - Gannett Fleming Companies - \$150.82 - Water System Engineering Services related to the performance of the duties of the Authority's consulting engineer and other services as authorized, including Part A - Pennvest Assistance (Well 2), for the period of September 25, 2010 through October 22, 2010

Christopher Snively seconded; the motion passed unanimously.

PROPOSED 2011 WATER AND SEWER BUDGETS: Leiter Pryor briefly presented the revised Proposed 2011 Water and Sewer budgets, highlighting the revisions pursuant to the November 16, 2010 meeting. After some discussion, Christopher Snively made a motion to adopt the 2011 Water and Sewer budgets, as amended. William Pflager seconded; the motion passed unanimously.

Having no further business to discuss, the meeting adjourned at 9:45 p.m. on a Snively/Stine motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant