

WAYNESBORO BOROUGH AUTHORITY

DECEMBER 21, 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 – William Pflager, Jon Fleagle, S. Allen Stine, Lee Layman and Christopher Snively

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

APPROVE MINUTES: Lee Layman made a motion to approve the minutes of the November 16th meeting, as written. Allen Stine seconded; the motion passed unanimously.

UTILITY BILL CREDIT CARD PAYMENTS: Leiter Pryor noted that he was requested to look into the possibility of implementing credit card and online bill payment. WTMA uses First Data through Susquehanna Bank for online bill payment and credit card payments. They also do point-of-sale at the office, as well as ACH and scheduled payments. The downfall to their system, however, is that it is a third-party vendor that doesn't interface with our software. Because daily transactions would then have to be manually entered, this would eventually create a lot of additional work.

After discussing the matter with the Borough's software vendor, it was discovered that they have a company that interfaces directly into the accounts receivable. No manual keying would be required, and there would be less room for error with this system. Costs for this system are not yet available; and it could be pursued further after the billing software is up and running (they are hoping for February). In addition to the programming, Mr. Pryor mentioned that there would be a capital expenditure of \$7,000 for a module, and some hardware which will cost several hundred dollars. In addition, a card swipe (to process checks from the mail) is available and would cost \$1,200, but would eliminate some labor costs.

Mr. Pryor noted that costs could be shared with the Borough, as a portion of the utility bill is for refuse; and the system could also be used for the payment of parking tickets, miscellaneous invoices, etc. Processing fees were discussed. There is a "gateway" fee of \$75.00/month, plus a 2% transaction fee. Mr. Pryor was requested to gather additional information and prepare a spreadsheet for the Authority's review. WBA members agreed they would like to pursue this matter; and set a target start-up date of July 1st.

WELL #2 UPDATE: Leiter Pryor reported that there was an issue at the well (and at the main plant) after a recent thunderstorm. Some equipment was lost, but replacements were available for most of it. It was determined, however, that the black box modem was not damaged in the storm, but it was covered under warranty. At this point in time, everything is "back to normal".

Discussion followed regarding landscaping at the facility. Mr. Pryor has heard nothing back from Craig Houghton (Penn State Forestry Department), but will contact him again. In addition, it was mentioned that perhaps this would be a good senior project for a high school student. Mr. Pryor will pursue the matter and report back.

AUTHORIZATION OF YEAR-END TRUST ACCOUNT TRANSFERS: Leiter Pryor explained that the trust indenture is rather cumbersome and involves the need to transfer funds at the end of the year for the bond payment. In the past he has handled that, however the auditors have suggested that the WBA specifically authorize him to authorize the transfers. He noted that the total year-end balance of the Water Revenue Fund is transferred into the Bond Redemption and Improvement Fund, the bond payment in the amount of \$261,438.75 is transferred from the Bond Redemption and Improvement Fund to the Bond Fund, and then the remaining funds are transferred back into the Water Revenue Fund to pay requisitions for the remainder of the year. Christopher Snively made a motion authorizing Leiter Pryor to make the necessary fund transfers to pay the bonds, as recommended. William Pflager seconded; the motion passed unanimously.

Mr. Pryor also noted that after year-end, he will report to the WBA regarding tap fee transfers for 2009 and 2010.

SEWER PLANT UPGRADE DESIGN STATUS: Leiter Pryor noted that Gannett Fleming is progressing on the design work. The first item that needs to be discussed is the denitrification filter procurement contracts. The draft bid documents were available at the WBA's last meeting. Technical and legal aspects of the document were reviewed, and authorization to advertise the bid (for opening on 01/25) is now required.

Mr. Pryor noted that the projected cost for the shop drawings and engineering with regard to the denitrification filters is approximately \$100,000, so a financing/borrowing plan will need to be in place by March/April. Leiter Pryor shared a site plan showing where the new equipment is proposed to be located. After review and numerous questions, it was suggested that Mark Malarich attend the next meeting to discuss several issues raised.

Leiter Pryor stated that part of the schedule provided by Gannett Fleming includes work on the Water Quality Management Permit Application, and they anticipate execution of that document will be required by February 15th. In addition, a planning and consultation meeting with PENNVEST is scheduled for January 4th in Harrisburg. After that meeting, there will be other items required with regard to a Letter of No Prejudice (this includes a plan regarding financing for the engineering portion of the filters).

Mr. Pryor reported that another meeting was canceled with regard to the H2O grant ... that meeting has been rescheduled for mid-February. He added that PENNVEST doesn't look promising, because there are many competitive projects. He should have an update on that avenue at the next meeting.

William Pflager then made a motion to authorize bidding of the denitrification filters, as previously discussed. Christopher Snively seconded; the motion passed unanimously.

SMITH ELLIOTT KEARNS & COMPANY 2010 AUDIT ENGAGEMENT LETTER: An engagement letter was received from Smith Elliott Kearns & Company for the 2010 audit. Their proposed cost is \$5,200 (it was noted that the 2009 audit cost slightly more than that because of additional work required). Lee Layman made a motion to authorize Smith Elliott to do the audit in accordance with their proposal. Christopher Snively seconded; the motion passed unanimously.

ELECTRIC SUPPLIERS: Mr. Pryor reported that the Borough has researched and chosen electric suppliers for their accounts. Keytex Energy will be the supplier for the larger accounts, and the remainder of the accounts will be served by OnDemand. Specific rates were provided for information.

CRAIG MAHRLE PAYMENT PLAN: Mr. Pryor provided a copy of correspondence he mailed to Craig Mahrle. He reminded WBA members that Mr. Mahrle had moved a tenant into his building without

paying the appropriate tap fees. He attended a meeting and was advised what he needed to do. A payment plan was agreed to; and since making his second payment, Mr. Mahrle has again requested a sewer tap credit. This letter reiterates the Authority's opinion regarding that matter.

UPDATE ON PCB BIOSOLIDS: Mr. Pryor reported that the PCB-contaminated biosolids are now at IESI's landfill. The budgeted cost for this project was \$50,000; however the final cost was only \$34,000 (leaving it sit for awhile apparently reduced the volume). In addition, land application status has been renewed; and test results have been coming back essentially "clean" for PCB's.

Leiter Pryor noted that Mr. Hamberger suggested that the WBA may want to contact Congressman Shuster to see if the Senate could do something about putting a moratorium on the new construction of treatment facilities due to the economic decline. He thought it might be worthwhile to indicate that the rate payers can't afford to pay for an upgrade; and since we are currently meeting our limits, could this be postponed for several more years until the economy "turns around"? After discussion, WBA members voiced that construction rates may increase when the economy improves; and if they are successful in postponing the construction, changes in "the rules" may also be made. It was suggested that perhaps Borough Council could correspond with the Congressman and Senator(s) asking for financial support for the project.

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

Water Requisition #10-25 - Gannett Fleming Companies - \$217.94 - 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 October 23, 2010 through November 19, 2010

Water Requisition #10-26 - Borough of Waynesboro (Water Fund) - \$521,718.00 - 1st Quarter, 2011 Water Allocation

Sewer Requisition #924 - Gannett Fleming Companies - \$21,420.15 - Engineering services to the Waynesboro Borough Authority associated with the upgrade and rehabilitation of its wastewater treatment plant for the period of October 23, 2010 through November 19, 2010

Sewer Revenue Fund Requisition #SA-56 - Borough of Waynesboro (Sewer Fund) - \$293,940.00 - 1st Quarter, 2011 Sewer Allocation

Water Construction Fund Requisition #WC-84 - Gannett Fleming Companies - \$399.10 - 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 October 23, 2010 through November 19, 2010

Christopher Snively seconded; the motion passed unanimously.

Having no further business to discuss, the meeting adjourned at 8:43 p.m. on a Layman/Stine motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant

