

WAYNESBORO BOROUGH AUTHORITY

JANUARY 15, 2008

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, Lee Layman, Jon Fleagle, Christopher Snively and William Pflager

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

Others – Ronald Martin, Borough Councilman

REORGANIZATIONAL MEETING - ELECT 2008 OFFICERS: Jon Fleagle asked for nominations for the position of Chairman. Allen Stine made a motion for the Secretary to cast a single ballot for the Authority's officers to remain the same (Chairman - Jon Fleagle, Vice-Chairman - S. Allen Stine, Treasurer - Lee Layman and Secretary - Christopher Snively). Lee Layman seconded; the motion passed unanimously.

APPROVE MINUTES: Lee Layman made a motion to approve the minutes of the December 18, 2007 meeting, as written. William Pflager seconded; the motion passed unanimously.

SOURCE DEVELOPMENT UPDATE: Leiter Pryor noted that he received a call from Congressman Bill Shuster's office indicating that the WBA is "on the list for funding". Money has been released, and the U.S. Army Corps of Engineers are reviewing the Authority's project under the 313 program. A check for \$200,000 (for reimbursement of engineering services for the well) should be forthcoming within the next several months.

Mr. Pryor also noted that Gannett Fleming is making progress with the final design of the McCleaf well treatment facility. Gannett Fleming is scheduled to attend the Authority's February meeting to review the design concept prior to finalization of the bid specifications. An architectural sketch of the building's layout was provided – it is a 34x60' building with a flat roof, architectural block on the outside (similar to the water treatment plant), two-tone neutral colors (selection to be made at a later date). Chairman Fleagle suggested that Gordon Cruickshanks be requested to attend the next meeting also so that he may offer his input on the matter. Mr. Pryor added that the project is slightly behind schedule, as there was a delay in the membrane filtration pre-purchase documentation; but Gannett Fleming feels they can compress the schedule and get it "back on track" for the proposed bid date.

Discussion followed regarding the need for a stormwater management plan. The matter will need to go before the Washington Township Planning Commission and the Washington Township Supervisors for approval.

Mr. Pryor noted that the Design Department had a question regarding the incorporation of a fire and intrusion alarm. Since the building will only be manned 1-2 hours per day, he feels that this would be money well spent. He doesn't see a need for a fire suppression system, but an intrusion and fire alarm

system would be recommended. The Authority agreed. Staffing issues were also mentioned. Mr. Pryor noted that this will be discussed further with Tim Glessner (Gannett Fleming) at the next meeting.

Regarding financing, Leiter Pryor reported that he feels the Authority will not want to close on a loan for the project until the end of 2008. Information was included in the Authority's meeting packet, which he explained. A portion of the debt service will be lost this year, and that can be rolled into the construction costs through 2007. Approximately \$263,640 is spent annually in debt service. In 2008, only \$152,625 in 2008, which leaves a net positive change in the debt service of \$111,000 (which would be sufficient to carry them through six months of construction). Mr. Pryor further explained that the money can be borrowed, placed in an escrow account and drawdown when it is needed (at a revenue-neutral situation and no payments are required until monies are drawn down). No additional debt service would be taken on, but the money will be waiting for when it is needed. The project requirement is \$2.5 million; and the last rate he received for conventional bank financing was from M & T Bank of 4.35% (which would result in monthly payments of \$16,499). The last payment on the PENNVEST loan has already been made. Mr. Pryor noted he thought the Authority's intent was to use the Construction Fund (which balance is currently \$700,000) for the beginning portion building construction. He stated that Gannett Fleming proposes for the building to be under roof by November or December of 2008, with a projected start-up date of April or May of 2009. The Authority will be invoiced for membranes upon delivery (this will be included in the payment requisitions received from the contractors). Shop drawings and engineering costs have already been paid for (for the membrane filtration equipment). Based on this information, Leiter Pryor recommended obtaining and closing on the required loan for the project in September or October of 2008.

Chairman Fleagle noted that a letter was mailed to Quincy Township regarding the possibility of a joint venture in development of the Hess well. Leiter Pryor stated he heard indirectly that they may be interested, but would want more information on the actual costs involved. (No written response has been received to date.) At this point in time, however the WBA has no idea what the costs would be.

ENTERPRISE AVENUE PUMP STATION UPDATE: Leiter Pryor provided the Authority with an update on the Enterprise Avenue Pump Station upgrade. Things are moving rather slowly – the contractors are waiting on some of the larger equipment, but the motor control center has been installed. The windows have been “slow in coming”, and he expressed his concern about that at the last job meeting. He is currently working with the Gas Company on the service request, and anticipates that start-up will be approximately in March or April.

REQUEST FROM CAPITAL REGION COUNCIL OF GOVERNMENTS: Mr. Pryor presented correspondence from the Capital Region Council of Governments regarding their attempt to legally challenge the Chesapeake Bay Nutrient Reduction Strategy. They are looking for municipalities to buy into this legal challenge, based on population size. Based on Waynesboro's population, they are requesting a \$2,000 contribution from the WBA. He explained that there are basically three (3) tiers of the Reduction Strategy, based on the size of your treatment plant. Waynesboro is in the Tier 2 category, so modifications to our treatment facility will occur in 2012. The Tier 1 facilities must make their modifications by 2009 in order to permit the permit limits. He discussed the matter with Mark Malarich, who feels that this may be somewhat of a “stall tactic” for the Tier 1 facilities. He feels that it would be best to put money in the 2009 budget to begin engineering work on any required modifications (and continue to watch the Tier 1 facilities to see what the permit limits may be). The Authority members agreed not to participate in this challenge.

SEWER MODULE PLANNING EXEMPTION - GREEN STREET ENTERPRISES: Leiter Pryor presented a Sewer Module Planning Exemption for Green Street Enterprises (Carbaugh) at Park/Fourth Streets. The WBA has the capacity to serve the requested two (2) EDU's. Christopher Snively made a motion to approve the sewer module for Green Street Enterprises at Park/Fourth Streets, as presented. William Pflager seconded; the motion passed unanimously.

RETIREMENT OF WATER PLANT OPERATOR: Mr. Pryor reported that John Lockwood's last day of work will be January 31st. The staff is currently conducting interviews and has discussed staffing strategies for the interim.

WEST PENN PUMP STATION: Mr. Fleagle asked about the progress on engineering work for the West Penn Pump Station. Mr. Pryor noted that it is basically completed, because they are utilizing a package plan which will be incorporated into the general contract for the well. He will establish appropriate cost centers so that funds are allocated from the Sewer Construction Fund for these replacement costs. He will also talk with Gannett Fleming to determine if the station's capacity will need to be increased because of the well's discharge, and the Authority should consider how they may want to allocate this (so the Water Fund contributes).

COMMENTS FROM BOROUGH COUNCILMAN: Councilman Ronald Martin commented that he has read minutes from the Authority's last several meetings and thanked them for "doing a terrific job". He added that Leiter Pryor is very knowledgeable in his position and is definitely "a keeper". Chairman Fleagle agreed, adding that they have an excellent staff (they also mentioned Gordon Cruickshanks and Scott Crum, for their efforts). Mr. Martin stated that, hopefully the Borough will be in the position (with the successful well) to get growth that will help fund the Borough without raising taxes for a long time and to help with revenue for the Authority as well.

MATERIAL MATTERS - SEARCH FOR FARM SITES: Leiter Pryor reported that Material Matters has had meetings two (2) farms, of which one was selected. They will begin doing the necessary field work to get the farm qualified. He also received correspondence from DEP - the general permit is due to expire. The site-specific permits utilized in the past were ten-year permits, but they are only issuing five-year general permits now. He reviewed the renewal process, and feels that the work can be handled in-house (Material Matters' cost would be \$6,500). He suggested that they review the proposed renewal application (for a nominal fee) prior to submission to DEP. The Authority concurred.

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

Hollengreen Utilities Escrow Account Requisition #HE-29 - D & M Electrical and Automation, Inc. - \$8,421.75 - Enterprise Avenue Pumping Station Rehabilitation (Contract Three - Electrical Work) - Estimate No. 4 for work performed up to and including January 2, 2008

Hollengreen Utilities Escrow Account Requisition #HE-30 - Johnston Construction Company - \$422.28 - Enterprise Avenue Pumping Station Rehabilitation (Contract Two - HVAC Work) - Estimate No. 3 for work performed up to and including January 2, 2008

Hollengreen Utilities Escrow Account Requisition #HE-31 - 4-M Construction Services Company - \$64,013.06 - Enterprise Avenue Pumping Station Rehabilitation (Contract One - General Construction) - Estimate No. 4 for work performed up to and including January 2, 2008

Water Requisition #08-01 - Gannett Fleming Companies - \$232.20 - Annual services of the Authority's consulting engineer as authorized under the Annual Services Agreement for the period of October 27, 2007 through November 23, 2007

Water Requisition #08-02 - Borough of Waynesboro (Water Fund) - \$360,445.00 - 1st Quarter Water Allocation

Sewer Revenue Fund Requisition #SA-40 - Material Matters, Inc. - \$3,408.85 - Environmental services in connection with locating and qualifying new farm sites under PADEP Chapter

271 for beneficial use of biosolids for the period of November 24, 2007 to December 21, 2007

Sewer Revenue Fund Requisition #SA-41 - Borough of Waynesboro (Sewer Fund) - \$223,746.75 - 1st Quarter Sewer Allocation

Source Development Fund (Water Requisition) #SD-156 - Gannett Fleming Companies - \$959.42 - Preliminary design, final design and bidding of Well No. 2 membrane facilities for the period of October 27, 2007 through November 23, 2007

William Pflager seconded; the motion passed unanimously.

Having no further business to discuss, the meeting adjourned at 8:22 p.m. on a Layman/Pflager motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant