

WAYNESBORO BOROUGH AUTHORITY

SEPTEMBER 16, 2008

MINUTES

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

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

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

Others – Tucker Lahr (Shentel PCS)

APPROVE MINUTES: William Pflager made a motion to approve the minutes of the August 19, 2008 meeting, as written. Allen Stine seconded; the motion passed unanimously.

SHENTEL LEASE AGREEMENT: Leiter Pryor noted that he was directed at the last meeting to forward the structural analysis and proposed agreement with Shentel PCS to Gannett Fleming for review. Their comments were then forwarded to Mr. Lahr for consideration.

Mr. Lahr began by stating that the PCS Site Agreement should reference the Waynesboro Borough Authority (WBA) as the owner/lessor, and WBA officer(s) should execute the agreement accordingly. He also noted that all of Gannett Fleming's comments in regards to the agreement were acceptable to Shentel. In several instances, alternate language was utilized to address the same point. He reviewed the following items:

- The proposed term of the agreement (10 years) was discussed. Gannett Fleming suggested that, if it stayed at five (5) years, both the WBA and Shentel should have termination rights at the end of each five-year term. After further consideration, it was decided to revert back to the conventional five-year term (as in the other lease agreements).
- Rent escalation was modified from the proposed 10% to coincide with the CPU and not-to-exceed 20%.
- In lieu of Gannett Fleming's request to provide a letter of credit, Shentel agreed to maintain a surety bond in the amount of \$30,000, which should cover removal of the equipment upon termination of the agreement.
- Interference issues were discussed. Shentel would be responsible for not causing any interference with the existing operations; and should they cause any interference, to remedy it.

- A comment was made about the WBA warranting that utilities were adequate at the site. This is a standard term, but it was clarified that there is no warranty to this fact; and if the utilities aren't adequate, there is no burden on the WBA's part.
- Insurance – Shentel agreed to offer a \$1 million dollar policy.

Gannett Fleming also made several comments regarding the drawings and structural analysis, as follows:

- Property owner will be shown as the Borough, with WBA rights referenced.
- Mr. Lahr explained that Shentel prefers to define the access easement to ensure alignment of their facility with the public right-of-way and to alleviate blocking that access by either party.
- Notes regarding re-painting will be listed on the drawings, but re-painting is specifically addressed in the agreement.
- Gannett Fleming requested information on the type of studs utilized for cable supports and grounding bars (Mr. Lahr noted that he will attempt to obtain an answer to this question.)
- Several comments were given pertaining to the structural analysis report, and Shentel will re-analyze it with that criteria and re-submit it for review.
- It was felt that cables were the only items to possibly interfere with or increase future maintenance (particularly painting).
- Underground cables were also discussed. Mr. Lahr commented that underground equipment increases the potential for “headaches”. He stated that the connecting cables will be kept high enough so as not to interfere with anyone mowing, etc.
- One section of fencing will need to be replaced.
- Proposed relocation of the fence was discussed. Mr. Lahr stated that they will maintain a minimum of 11' between their pad/equipment and the existing equipment building (which is wider than the standard driveway). He feels that the proposed locations are appropriate, but would be willing to discuss any changes the WBA feels would be necessary.

Authority members voiced no questions or concerns. Mr. Lahr will update the drawings and agreement, and forward final copies to Leiter Pryor and Lloyd Reichard for review. The Authority will review/execute the final documents at their next meeting so that construction can begin in the near future.

SOURCE DEVELOPMENT UPDATE: Leiter Pryor reported that the contractor mobilized on-site on August 25th. The topsoil has been stripped and excavated for the clear well building. They also poured the base, are in the process of forming the walls, and will soon begin the “yard piping” for water and sewer lines back to the plant.

ELECTRIC SERVICE AGREEMENT & RIGHT-OF-WAY AGREEMENT (WELL SITE): Mr. Pryor noted that he received a Right-of- Way Agreement and Electric Service Agreement from Allegheny

Power. He added that, as the Borough pays the electric bill, Mr. Hamberger will need to execute the Electric Service Agreement. There is a capital expenditure of \$8,930.81 for the electric service, and the monthly bill will be no less than \$217.31/month (after five years, the bill will convert to payment for usage). Chairman Fleagle noted that he would like to see drawings for location of the transformer box.

Christopher Snively made a motion to recommend that the Borough Manager execute the Electric Service Agreement. Allen Stine seconded; the motion passed unanimously. William Pflager made a motion to authorize approval of the Right-of-Way Agreement. Lee Layman seconded; the motion passed unanimously.

Leiter Pryor also informed the Authority members that the contractor will add fill dirt to the bank along Baer's property to "dress that up" and make it mowable. Discussion ensued regarding the "junk" on the Authority's land from the neighboring property. Chairman Fleagle asked Lloyd Reichard for legal advice on getting it removed. After discussion, Mr. Reichard was instructed to send them a letter stating that the items must be removed within a certain number of days or the Authority will remove and dispose of them. Mr. Reichard stated that he will write the letter, but advised about a conflict if the matter goes to litigation.

PENNVEST UPDATE: Leiter Pryor presented loan documents that need to be considered by the WBA at this meeting. They have been reviewed by Pepper Hamilton & Scheetz, which resulted in an issue regarding a provision in the document prohibiting the WBA from re-financing the loan. No problems were anticipated, however, due to the low interest loan they are receiving. It was noted that the PENNVEST loan closing is scheduled for September 18th. Christopher Snively made a motion to authorize approval of the following PENNVEST documents, as presented: Loan Agreement, Account Security Agreement, Promissory Note, Letter of Responsibility, and Assignment of Miscellaneous Contracts. Allen Stine seconded; the motion passed unanimously.

Regarding the Corp of Engineers' grant, Leiter Pryor reported that they are "coming down to the wire" for submitting invoicing for the money. He reminded the Authority members that they should receive \$200,000 toward engineering expenses. He estimated that they have spent \$273,000 in engineering so far. Mr. Pryor was requested to continue monitoring the engineering costs closely. Discussion followed regarding the fact that the Borough's Inspector (Scott Crum) could do some of the inspections, such as the yard piping, in an attempt to keep costs down.

1912 HOOVER HOUSE UTILITY REQUEST: Leiter Pryor presented a request from the 1912 Hoover House regarding a planned expansion of their kitchen. They would like to install new water and sewer services, and are asking for exoneration from the required tap fees. After speaking with Martz Plumbing, he understands that there is not sufficient fall for the sewer to accommodate the new kitchen; and he suggested that the Authority could waive the tap fees for the sanitary sewer. Discussion followed regarding the need for a new water service, and it was suggested that they could utilize the service from their existing facility. Tap fees were discussed – the sewer tap would cost \$4,000 + an \$800.00 connection fee; and a 3/4" water tap would cost \$5,000 + the cost of a meter.

Chairman Fleagle asked how the WBA could justify waiving the fees without setting a precedent for anyone who wants fees waived in the future? It was noted that they are not increasing the EDUs (seating capacity) for the sanitary sewer; it is just a matter of convenience for them. Scott Crum explained that the water line in Main Street is on the other (south) side. He feels it would be more expensive for them to bring in another line than to tap off that one. The Authority noted that they are glad to see that they are growing and expanding, but they can't justify waiving the requested fees. It was also suggested that they may wish to consider installing a grease trap when the construction takes place.

UTILITY SERVICE - BECK & BENEDICT BUILDING: Leiter Pryor informed the Authority that Craig Mahrle is doing renovations to the former Beck & Benedict building by converting the rear into six (6) condominium units; and he was inquiring about waiving the tap fees for both water and sewer. He explained that this building was previously used as an old factory, from which he removed 12 bathrooms. Mr. Mahrle doesn't feel he is adding any capacity to the Borough's system. Chairman Fleagle noted that the factory utilized the entire area as one (1) unit; and the planned use has changed.

After discussion on the matter, the WBA agreed that Mr. Mahrle should pay tap fees (6) for both water and sewer. If the building's existing utility service lines are utilized, a water distribution fee will not be charged.

Mr. Pryor explained that Mr. Mahrle also owns the former Biser Furniture building, which is currently occupied by a church. It was recently discovered that there is no sanitary sewer service to this building ... just a cesspool under it. He added that the bathrooms were recently expanded (he isn't sure how they obtained a land use permit). As the Borough is planning to pave the Rotary parking lot in the near future, it was noted that this matter should be addressed soon. After discussion on the matter, Leiter Pryor suggested contacting the Borough's Sewage Enforcement Officer to inspect the on-lot sewage system. If it doesn't pass the inspection, they should be required to connect to public sewer.

ENTERPRISE AVENUE PUMP STATION UPDATE: Leiter Pryor reported that they are ready to close-out the Enterprise Avenue Pump Station upgrade project. One (1) item remains on the punch-list as outstanding.

He also noted that he has talked with Jeff Adams (Waynesboro Area School District) regarding removal of their electric box on the Authority's fence. They have made arrangements with Allegheny Power to obtain their own service.

LEAK IN MAIN FEED LINE AT SEWER PLANT: Leiter Pryor reported that a leak has been discovered in the main line leading into the Sewer Plant. A TV crew attempted to check the line, but could not continue due to the amount of debris. They propose to flush the line, clean and re-TV it to determine if there is a separation. He will report back on any rehabilitation work required.

2009 WATER AND SEWER BUDGET: Leiter Pryor noted that he will meet with Gordon Cruickshanks the following day to begin budget discussions. Chairman Fleagle suggested that he give a brief overview of the budget during the October meeting, and the Authority will then hold a special meeting before their November meeting to discuss it further.

Chairman Fleagle asked for an update on several projects, including:

- Billing software – Mr. Pryor noted that there has been a lot of difficulty with the data conversion. He was told that training should begin October 1st.
- Roof at Water Plant – Mr. Pryor reported that it has been patched temporarily, but he hasn't had time to prepare bid specifications.
- Gate valve – Mr. Pryor noted that PSI came in, but was not able to get the gate to move. He has requested a price quote for a scuba diver to go down and make an attempt also. He noted that "time is wasting" with regard to having the dam inspection done again for this year.

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

Water Requisition #08-20 - Washington Township Municipal Authority (WTMA) - \$167.04 - Correction of Customer Payment Error (payment should have been deposited in WTMA account)

Hollengreen Utilities Escrow Account Requisition #HE-51 - Johnston Construction Company - \$2,706.90 - Enterprise Avenue Pumping Station Rehabilitation (Contract Two - HVAC Work) - Estimate No. 7 for work performed up to and including July 21, 2008

Source Development Fund Water Requisition #SD-162 - Gannett Fleming Companies - \$1,005.50 - Annual services of the Authority's consulting engineer as authorized under the Annual Services Agreement for the period of May 24, 2008 through July 4, 2008

Source Development Fund Water Requisition #SD-163 - Gannett Fleming Companies - \$1,571.06 - Construction management services related to Membrane Treatment at Well No. 2 for the period of May 24, 2008 through July 4, 2008

Water Construction Fund Requisition #WC-02 - Gannett Fleming Companies - \$1,696.28 - Annual services of the Authority's consulting engineer as authorized under the Annual Services Agreement for the period of July 5, 2008 through August 1, 2008

Water Construction Fund Requisition #WC-03 - Gannett Fleming Companies - \$8,399.70 - Construction management services related to Membrane Treatment at Well No. 2 for the period of July 5, 2008 through August 1, 2008

Water Construction Fund Requisition #WC-04 - Allegheny Power - \$8,930.81 - Three-phase underground service to pump station at McCleaf Well Site

Water Construction Fund Requisition #WC-05 - Johnston Construction Company - \$100,510.20 - Construction of Well No. 2 Membrane Treatment Facility (Contract Two - General Construction) - Estimate No. 1 for work performed up to and including August 22, 2008

Water Construction Fund Requisition #WC-06 - Gannett Fleming Companies - \$9,219.57 - Construction management services related to Membrane Treatment at Well No. 2 for the period of August 2, 2008 through August 29, 2008

Christopher Snively seconded; the motion passed unanimously.

Having no further business to discuss, the meeting adjourned at 9:10 p.m. on a Layman/Pflager motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant