

WAYNESBORO BOROUGH AUTHORITY

FEBRUARY 20, 2007

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

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

Public in Attendance – R. Lee Royer, Merle Holsinger, Clint Barkdoll, Dude Martz, Jeff Hockenberry and Gary Peck Sr.

APPROVE MINUTES: Lee Layman made a motion to approve the minutes of the January 16, 2007 regular meeting, as written. S. Allen Stine seconded; the motion passed unanimously.

SOURCE DEVELOPMENT UPDATE: Mr. Pryor presented an e-mail from Tim Glessner of Gannett Fleming stating the current progress of Well # 2 treatment and design.

Straightening the Access Road: Gannett looked at constructing the access road straight off of Rte. 316, which would have eliminated the "hook" at the beginning of the driveway. However, that would have required another PENNDOT Highway Occupancy Permit. In order to avoid an additional permit, Gannett elected to use the existing access off of Rte. 316. The access road, as currently shown on the drawings, follows an existing dirt road through the property. Gannett followed the route of the existing dirt road to minimize fill and grading. A new design could possibly straighten the road and still use the existing access, but would need to route the road across the base of a hill (which would require more fill and grading). The Authority discussed this and would like to see the road moved to the north or re-graded as to allow truck traffic to exit the site straight (not going uphill with a bend). Allen Stine reported that the person mowing this site has a truck and trailer, and has problems with the current driveway bend. Scott Crum was directed to see what would be involved with moving the driveway north.

Sewage Planning Module: Gannett contacted PA DEP about a week ago. They indicated something will be forthcoming shortly. The Planning Module is the only outstanding PA DEP permit remaining.

Pre-Purchasing Membrane Equipment: Gannett Fleming is currently in the middle of the construction of a similar facility for another client. One thing Gannett found is that the configuration, instrumentation, and electrical requirements for the membrane equipment can vary significantly from one manufacturer to another. Gannett had some difficulty coordinating the instrumentation, wiring, and some of the piping. One way to avoid this would be to pre-purchase the membrane system, get shop drawings from the selected manufacturer, and then use the shop drawings to develop the electrical and instrumentation designs. This would have several impacts on the project schedule.

The original schedule indicates that Gannett Fleming would complete the design in the spring of this year. The project would be advertised and bid through the summer. The contract award and Notice to Proceed would be made January, 2008.

If the membranes are pre-purchased, Gannett Fleming would need to issue bidding documents to the membrane manufacturers by the end of March. The Authority would open bids on the membrane equipment mid-April. A pre-purchased contract would be awarded by mid-May. Gannett would have the shop drawings by mid-June and would complete the design and advertise the general and electrical contracts around the beginning of September. The Authority would open bids on those contracts in mid-October and could still award the contracts by January of 2008.

The Borough Authority would likely be required to make the first payment to the membrane manufacturer upon receipt of shop drawings. That payment would probably be in the \$20,000 to \$30,000 ball park. Gannett would structure the pre-purchase contract documents so that the Authority wouldn't be obligated to purchase and pay for the membrane equipment unless the general and electrical contracts are awarded. The Waynesboro Borough Authority would only be obligated to pay the cost for shop drawing generation if the project happened to fall through. Lee Layman made a motion to have Gannett Fleming prepare the pre-purchase bid documents for the membrane equipment and begin the bid process, if it did not impact the funding source(s) for the project. William Pflager seconded; The motion passed unanimously.

Jon Fleagle asked if any testing was performed for trichloroethylene at the Hess well, which is in an area in which DEP has found trichloroethylene in some private wells. Mr. Pryor stated that only a basic chemical analysis was done on this well. He was instructed to take a grab sample and have it checked.

Jon Fleagle is going to contact Senator Shuster again and find out when the \$200,000 grant funding for the project will be available.

S. Allen Stine asked if anyone has thought about what was going to happen when the well water was introduced into the system. His past experience with the Zullinger Water Company wells and pumps was that, when the pumps came on and off, there was a lot of "hammer" in the pipes, which resulted in many failures of the lines. Mr. Pryor stated that this should not happen with the new filter plant, being that the membrane filtration system is a continuous operation, and therefore the pumps will not cycle on and off. S. Allen Stine stated that there will still be some times when the pumps will need to be stopped and started. Jon Fleagle asked a question about running the well all the time at 250 gpm, and inquired if the filtration system can be operated at a lower output rate. Mr. Pryor stated that the last time Gannett was here and explained the process, he thought they had indicated that the membrane process design was based upon a constant 250 gpm output. Jon Fleagle feels that they need to get a better idea of how this treatment process will operate. Leiter Pryor indicated that he will clarify this with Tim Glessner from Gannett Fleming.

APPLICATION FOR WATER MAIN EXTENSION (SHEFFIELD MANOR): R. Lee Royer presented plans for Sheffield Manor - London Bridge and the PRD area. The PRD area has adequate domestic pressure and flows available from the existing WBA system. The London Bridge portion of the development is the section that Gannett Fleming performed a hydraulic analysis on. Gannett's report stated that the townhouse units would not have adequate fire protection as recommended by the AWWA standards, but would have adequate domestic flows if system improvements were made by connecting the standpipe high service area to this portion of the development . The two options for fire service from the standpipe area would be a new elevated tank or a fire pump system from the Broad Street Reservoir – both of these projects are estimated to cost \$1,000,000 each. Jon Fleagle asked if there could be provisions in final design of the water mains for hydrants, if the system is ever able to support fire flows. R. Lee Royer stated that the hydrant tees and valves could be installed in the townhouse areas. R .Lee Royer was shown Gannett Fleming's recommendations on the required system improvements, and was instructed to incorporate these into the final utility design. Mr. Royer's one concern was replacement of the existing 2" water line in the public alley off of North Broad Street. He would like to place a 10' utility easement along the alley because of other existing utilities in the

alley (overall easement would be 25 feet). William Pflager made a motion to approve the Application for Water Main Extension for 344 units. Allen Stine seconded. R. Lee Royer asked a question about the application location being Sheffield Manor – that London Bridge and PRD area would better describe the location. The motion passed unanimously.

HOMETOWN HOMES UTILITY SERVICE: R. Lee Royer presented plans that the Authority has seen before. It shows 37 townhouses, with 1" water services, split to 2 units, 6 townhouses with public sewer laterals, and 31 townhouses on a private sewer line. He stated that previously the Authority wanted a Homeowners Association to be formulated to include maintenance of the private lines. The developer has not done this to date. Jon Fleagle stated that the Authority's policy is not to have any private sewer mains. He said the last time we left this matter, the developer was instructed to have a recorded Homeowners Association for the next meeting. During the January meeting, this matter came up; and with no Homeowners Association in place, the Authority recommended individual public sewer laterals. Clint Barkdoll asked what the Association would be responsible for. Jon Fleagle stated, maintenance of the private main line. Mr. Fleagle also stated that the other option the Authority discussed was running the sanitary sewer in the rear of the properties. R. Lee Royer commented that, with the large storm sewer pipes and smaller underdrain pipes, that would be a real difficult task (if it could be done at all) and that there might be elevation problems if the main was constructed in this manner. Jeff Hockenberry stated that, after the last meeting he attended, he knew what the Authority wanted but didn't know there was a time limit on it. Jon Fleagle stated that there is not a time limit on it, but the Homeowners Association needs to be formulated and submitted along with the Water Main Extension Agreement for approval. Jeff Hockenberry stated he did not understand that; and his attorney, Clint Barkdoll, knew this was coming but was not instructed to proceed yet (due to other parts of the Homeowners Association not being finalized). Clint Barkdoll stated that creation of the Homeowners Association can be completed in a few days. Lloyd Reichard stated that the Homeowners Association must be incorporated under the laws of the Commonwealth of Pennsylvania as a non-profit corporation, and that the Homeowners Association must be recorded in the Franklin County Courthouse. Lloyd Reichard further stated that the Homeowners Association will need to be referenced on all the deeds written for this development. Clint Barkdoll stated he will start working on the Agreement. Jon Fleagle polled the members of the Authority – everyone was in agreement. Lloyd Reichard was instructed to work with Mr. Barkdoll to convey the necessary elements of the Homeowners Association to satisfy the Authority's requirements for the maintenance of the private sewer main.

ENTERPRISE AVENUE PUMPING STATION: Mr. Pryor presented correspondence from Mark Malarich of Gannett Fleming stating that the Authority should advertise the request for bid for contractors in the February 28th edition of the Record Herald newspaper, and that Gannett Fleming will send out faxes to contractors at the same time. A non-mandatory pre-bid meeting should be held between March 15-20, with the bid opening on the 29th of March, at 2:00 p.m. The Authority could then take action to award the bid during the April 17th regularly scheduled meeting. William Pflager made a motion to accept the bid schedule and proceed with the bid process. Chris Snively seconded; the motion passed unanimously.

FUNDING OPTIONS (Well #2) Mr. Pryor presented a spreadsheet comparing conventional bank financing and PENNVEST financing. The conventional financing interest rate is 6.30 % and the PENNVEST blended rate is 2.88%. The spreadsheet also included three (3) funding options, using the PENNVEST financing with various borrowing amounts.

Option #3 indicated that financing the total project costs of approximately \$2,300,000 with PENNVEST funds would create an annual debt service of \$151,461. Mr. Pryor reported that a portion of the annual debt service is now \$270,000, which will expire in December of 2008. If option #3 is approved, the retired 2008 debt service will more than cover the new debt if PENNVEST financing is utilized. William Pflager made a motion to have Mr. Pryor pursue Option #3 and begin the PENNVEST application

process with assistance from Gannett Fleming. Allen Stine seconded; the motion passed unanimously.

FTPE REPORT- PADEP: Jon Fleagle mentioned that both the Record Herald and the Herold Mail had run an article about the commendable rating received at our water filtration plant.

WTMA REQUEST (Sewer Transportation Agreement): Mr. Pryor reported that the Washington Township Municipal Authority's Manager, Eugene Barnhart, has contacted him requesting if the Waynesboro Borough Authority would be willing to discuss modifications to the Sewer Transportation Agreement. Mr. Barnhart indicated that, with the increased development in Zullinger area including the Industrial Park and other developments within the Township, the 200,000 gpd capacity of the agreement will be reached soon. Mr. Pryor reported that we will need to keep the new Chesapeake Bay nutrient reduction requirements in mind if the Authority desires to modify the existing capacity provisions in the agreement. Mr. Pryor was instructed to write a letter to the WTMA asking for a proposal of the requested modifications to the Sewer Transportation Agreement.

FRANKLIN COUNTY COMMUNICATIONS GRANT: Mr. Pryor received a letter from the Franklin County Emergency Services Alliance stating that the County is applying for a joint grant to update the existing emergency communications equipment, and they would like to know if we are interested in participating. Mr. Pryor reported that we have one radio in the Water Plant truck that will need to be upgraded pursuant to the Antietam Dam Emergency Operations Plan. S. Allen Stine made a motion to have Mr. Pryor proceed with notifying the County of the Authority's desire to participate, and to make him the contact person. Lee Layman seconded; the motion passed unanimously.

TURKEY HILL WATER APPLICATION: Mr. Pryor presented plans for Turkey Hill and the remainder of the Gsell property. A clarification regarding the construction of a water main in CV Avenue was requested at the last meeting. He stated that in the 2006 budget, the Authority had approved a 4" water line be placed from the end of the existing 4" in CV Avenue to West Main Street. This project was not completed in 2006 and carried over to 2007. Scott Crum indicated that the current pipe bid pricing indicated that 6" pipe was cheaper than 4" pipe, and therefore the line would be 6". The agreement with the Gsells states a 4" service line be placed to their property at a location agreed upon by both parties. The plans they presented last month showed a 4" service line coming off the existing 4" main. This is not consistent with the Authority's Rules and Regulations. Jon Fleagle stated that if they want the 4" service near the rear of the property, they will need to do a 6" water main extension from the 6" water main on West North Street to a point beyond the proposed 4" service line. The other option would be to move the proposed 4" service to the area of the Authority's 6" main extension. The Authority told Mr. Pryor to proceed with the 6" extension from Main Street to the end of the existing 4" water line, as this capital project was included in the budget.

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

Water Requisition #07-04 - Gannett Fleming Companies - \$1,148.78 - Annual services of the Authority's consulting engineer as authorized under the Annual Services Agreement for the period of November 25, 2006 through December 22, 2006

Water Requisition #07-05 - Smith Elliott Kearns & Company, LLC - \$2,010.00 - Progress billing for services rendered in connection with audit of financial statements for the period ended December 31, 2006 – (Water Fund - 60%)

Sewer Requisition #879 - The Pennsylvania State University - \$325.00 - 1 DEP Permit 271-Biosolids

Sewer Requisition #880 - Smith Elliott Kearns & Company, LLC - \$1,340.00 - Progress billing for services rendered in connection with audit of financial statements for the period

ended December 31, 2006 – (Sewer Fund - 40%)

Source Development Fund (Water Requisition) #SD-146 - Gannett Fleming Companies - \$181.55 - Preliminary design of Well No. 2 membrane facilities to support permitting approvals for the period of November 25, 2006 through December 22, 2006

S. Allen Stine seconded; the motion passed unanimously.

Having no further business to discuss, William Pflager made a motion to adjourn at 9:35 p.m. Chris Snively seconded; the motion passed unanimously.

Respectfully Submitted,

Scott Crum
Draftsman-Inspector