

WAYNESBORO BOROUGH AUTHORITY

MAY 21, 2013

MINUTES

Authority Chairman Jon Fleagle called the regularly scheduled meeting of the Waynesboro Borough Authority to order at 3:00 p.m. with the following in attendance –

Borough Authority Members – Jon Fleagle, Christopher Snively, Lee Layman, S. Allen Stine and William Pflager (via videoconference from England)

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

Public in Attendance – Adam Tardosky and Michael Gyurisin (Chambersburg Area Senior High School)

APPROVE MINUTES: Allen Stine made a motion to approve the minutes of the April 16, 2013 meeting, as written. Christopher Snively seconded; the motion passed unanimously.

UPDATE – SEWER PLANT UPGRADE: Leiter Pryor reported that the general contractor is continuing work on the denitrification building. They have been concentrating primarily on getting the filters ready for the underdrain system and installing the equipment from ITT in the filter bays. They are also working to finish the chemical building, which is approximately 95% complete. Much electrical work still needs to be done – the conduit is in, but there is no wire in the building yet. The general contractor's subcontractor has been working on completion of the yard piping. All the underground piping is installed, with the exception of a short section of the plant water line that runs to the denitrification feed station. The denitrification pumping station is completed, but the pumps have not yet been set. Bypass pumping was terminated today (bypass pumping was being done so the contractor could install the metering manhole at the effluent area of the plant) and a vacuum test was completed successfully this morning.

The electrician continues to work diligently on installing equipment – many of the equipment cabinets are in place, 99% of the duct bank is completed, and they need to run a short line from the utility building to the denitrification pumping station. Other than that, all the underground piping is in place and wire will be pulled to the various buildings within the next few days. The electrical changeover is scheduled for 05/29. West Penn Power will be involved in the upgrade from 240 to 480 volts. The generator is scheduled for start-up on 05/30; and the supplier will be on-site to do the transfer and training.

Mr. Pryor noted that several WBA members were in attendance at the most recent job meeting. There have been some unforeseen circumstances (with the excavation); and overall, he estimates the project is behind by two (2) months. They are now stating that substantial completion will be by 07/31, but Gannett Fleming has not yet provided him with a written schedule. He clarified that, at this point in time, the project will not be completed by the prescribed deadline in the contract documents. Liquidated damages were mentioned, but Mr. Pryor noted he doesn't want to pursue that avenue unless they have to. Job meetings will now be held every two (2) weeks, the next of which is scheduled for 05/29 at 10:00 a.m.

In an attempt to save money on construction management costs, Leiter Pryor has also suggested that Gannett Fleming's inspector attend the bi-weekly meetings and Dave Weiss visit on a monthly basis (unless they are needed before that time). Chairman Fleagle asked about contracting for chemical supplies, and Mr. Pryor explained that the contractor supplies chemicals through start-up (until the plant is accepted by the WBA). He will begin preparing specifications, and the chemicals will be bid by the Borough later in the year.

Mr. Pryor noted there is a provision in the specifications to coat only the walls adjacent to the dry rooms in the building; and the exterior portions of the tank walls were not specified to be coated in any way. After discussing the matter with Gannett Fleming in light of the issue with aggressive water at the Water Treatment Plant, consideration was given to the possibility of coating all the surfaces inside the tanks. He obtained a price estimate of \$75,000, utilizing the product in the current specifications. The painter also suggested other similar products that would do the same job at a lower cost, but the additional price (complete) would still be \$40,000. He feels that that amount of money could be better spent elsewhere, as no leaks were discovered when hydrostatic testing was conducted. WBA members agreed with Mr. Pryor, noting they should continue with the original scope of the contract.

UPDATE - NORTHFIELD AVENUE PUMPING STATION: Leiter Pryor reported that the pumping station was shipped/delivered at the beginning of the month, and is currently stored at the Maintenance Center. He is working to obtain a building permit from Accredited Services and installation will begin the first week of June. The project is estimated to take approximately three (3) weeks for completion; and they hope to have it up and running by 07/01. He explained the changeover process and will notify WBA members when construction begins.

FAIRVIEW AVENUE WATER LINE PROJECT: Mr. Fleagle noted that an estimate of \$53,959 was prepared by the Borough's Engineering Department for the 10" water line project on Fairview Avenue from W. Second Street to W. Third Street. It was noted that this was one of the recommended projects from the recent distribution system study; and since the Borough is looking at paving Fairview Avenue, it was thought it would be a good idea to complete this work now. Preliminary drawings will be available at the next meeting for review and further discussion. Mr. Pryor added that water

quality in this area is fine, but the WBA is looking at fire flows for the future.

2012 WBA WATER AND SEWER AUDIT: Audit findings were presented to the WBA members. Mr. Pryor reviewed the information and noted there are only minor items which need to be modified/corrected, and those have already been done.

BILLING POLICY RECOMMENDATION: Leiter Pryor prepared a proposed billing policy revision with regard to landlord/tenant situations, which is expected to go into effect on 01/01/2014. The WBA has decided to discontinue billing tenants for water/sewer and all landlords will be billed directly. Discussion arose about master metering, and Mr. Pryor estimated there are approximately 40-50 of those type of situations. Clarification was given that one (1) bill will be sent to each owner, based on the number of units (meters) on record.

Mr. Fleagle suggested that Mr. Pryor prepare a written statement regarding justification for this revision, noting it will save money by reducing the number of bills being mailed out (by approximately 40% on the multi-units), it will keep the landlord(s) more informed, and it will reduce the changes being made to accounts when tenants move out. Discussion followed about landlord/tenant situations that are not delineated in the Borough's billing system. Mr. Reichard suggested that the landlords would be responsible for providing tenant information in cases of account delinquency.

Mr. Pryor noted that he and Jason Cohen are in agreement with the proposed policy modification; and Lloyd Reichard noted he has reviewed it and found it to be in compliance with the Landlord/Tenant Act. Notification procedures were included in the information presented to the WBA, and Mr. Pryor added he would like to put a notice on the utility bills.

Lee Layman made a motion to approve the revision to the billing policy for landlord/tenant billings, as presented. Christopher Snively seconded; the motion passed unanimously.

WBA WATER SYSTEM RULES AND REGULATIONS - REVIEW: Chairman Fleagle recommended that WBA members review the Rules and Regulations currently in effect; and a separate meeting will be scheduled to discuss the matter further.

Leiter Pryor advised that there is a cash flow problem this month, due to the bills incurred for the WWTP construction project; and the majority of the line-of-credit has already been drawn down. He suggested that a short-term transfer be made from the Sewer Revenue Fund to the Sewer Construction Fund, until the PENNVEST allocation has been received (at which time the money will be reimbursed back to the Sewer Revenue Fund).

Allen Stine made a motion to authorize Leiter Pryor to make a temporary transfer of \$450,000 from the Sewer Revenue Fund to the Sewer Construction Fund to cover the outstanding requisitions to be approved at this meeting, until such time as the

PENNVEST allocation is received. William Pflager seconded; the motion passed unanimously.

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

Water Revenue Fund Requisition #13-20 - Borough of Waynesboro (Clearing Account) - \$427,001.00 - 2nd Quarter, 2013 Water Allocation

- Water Revenue Fund Requisition #13-21 - PA Rural Water Association - \$489.50
- Renewal of Membership Dues for Dual System with over 5000 connections or taps
- Sewer Revenue Fund Requisition #SA-99 - Material Matters, Inc. - \$55.00 -
Environmental services in connection with locating and qualifying new farm sites under PADEP Chapter 271 for beneficial use of biosolids for the period of February 16, 2013 to March 29, 2013
- Sewer Revenue Fund Requisition #SA-100 - Material Matters, Inc. - \$380.00 -
Environmental services in connection with the submission of an application for a PAG-08 General Permit for the period of February 16, 2013 to March 29, 2013
- Sewer Revenue Fund Requisition #SA-101 - PA Rural Water Association - \$489.50 -
Renewal of Membership Dues for Dual System with over 5000 connections or taps
- Sewer Revenue Fund Requisition #SA-102 - Borough of Waynesboro (Clearing Account) - \$284,976.00 - 2nd Quarter, 2013 Sewer Allocation
- Sewer Construction Fund Requisition #1035 - PSI Pumping Solutions, Inc. - \$353,938.50 -
Estimate No. 5 for Contract Four (Electrical Work - Wastewater Treatment Plant Upgrade) for work performed up to and including April 28, 2013
- Sewer Construction Fund Requisition #1036 - W. C. Eshenaur & Son, Inc. - \$23,072.40 -
Estimate No. 3 for Contract Two (Plumbing Work - Wastewater Treatment Plant Upgrade) for work performed up to and including April 19, 2013
- Sewer Construction Fund Requisition #1037 - W. C. Eshenaur & Son, Inc. - \$15,540.07 -
Estimate No. 4 for Contract Two (Plumbing Work - Wastewater Treatment Plant Upgrade) for work performed up to and including April 28, 2013
- Sewer Construction Fund Requisition #1038 - Kinsley Construction, Inc. - \$348,491.29 -
Estimate No. 14 for Contract One (General Construction - Wastewater Treatment Plant Upgrade) for work performed up to and including April 28, 2013
- Sewer Construction Fund Requisition #1039 - Gannett Fleming Companies - \$14,753.80 -
Construction Management related to WWTP Nutrient Upgrade Project for the period of March 23, 2013 through May 3, 2013

Sewer Construction Fund Requisition #1040 - Gannett Fleming Companies - \$8,967.06 - Construction Phase Services for WWTP Upgrade and Rehabilitation for the period of March 23, 2013 through May 3, 2013

Sewer Construction Fund Requisition #1041 - Gannett Fleming Companies - \$812.10 - Engineering assistance to Waynesboro Borough Authority associated with PENNVEST financing for the Wastewater Treatment Plant Rehabilitation Project during construction for the period of March 23, 2013 through May 3, 2013

Sewer Construction Fund Requisition #1042 - D. L. George & Sons - \$100.00 - Leased Space for Wastewater Plant Upgrades (May, 2013)

Sewer Construction Fund Requisition #1043 - Franklin County Clean Water Fund - \$500.00 - Renewal Application for NPDES Permit for Stormwater Discharge during Construction at WWTP

Lee Layman seconded; the motion passed unanimously.

Mr. Fleagle reported that he and Mr. Pryor recently met with a financial investment banker who prepared an analysis of the PENNVEST loans based on the current market. He suggested that the WBA could possibly save \$300,000 (net) by issuing bonds. There are some disadvantages involved in a bond issue, however, such as the fact that the bonds must be refunded if money is borrowed for a capital project in the future. Mr. Fleagle noted he feels that the WBA needs to do due-diligence and pursue the matter (for informational purposes). He will keep the members informed.

Having no further business to discuss, the meeting adjourned at 4:29 p.m. on a Pflager/Snively motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant