

WAYNESBORO BOROUGH AUTHORITY

JANUARY 18, 2011

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, Lee Layman and Christopher Snively
(William Pflager was absent)

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

Others – Mark Malarich, Gannett Fleming, Inc.

RE-ORGANIZATION/ELECTION OF OFFICERS: The current WBA officers are --

Chairman - Jon Fleagle
Vice-Chairman - S. Allen Stine
Treasurer - Lee Layman
Secretary - Christopher Snively

Nominations were requested. To expedite the process, Lee Layman made a motion that the Secretary cast a unanimous ballot for the current slate of officers. Allen Stine seconded; the motion passed unanimously.

APPROVE MINUTES: Allen Stine made a motion to approve the minutes of the December 21, 2010 meeting, as written. Lee Layman seconded; the motion passed unanimously.

SEWER PLANT UPGRADE: Mark Malarich, Gannett Fleming Inc., was in attendance to discuss the status of the design work for the Sewer Plant upgrade. Several handouts were provided to the WBA members. The required compliance schedule for the NPDES permit was reviewed. Mr. Malarich noted that, most importantly, the treatment plant is required to achieve compliance with effluent levels by September 30, 2014.

The first compliance item is to submit the Water Quality Management Part II Permit Application on 03/01/2011 (and they are on schedule to do that). At the last WBA meeting, Gannett Fleming was authorized to advertise bids for procurement of the denitrification filters, which is the main component of the plant upgrade. Bid opening is scheduled for 01/25 at 2:00 p.m. in Borough Hall. Upon receipt of the bids, an analysis of the life cycle costs (using a 20-year period) will be conducted. A recommendation on the bid award will be submitted for WBA action at their February meeting. With that information, Gannett Fleming will then be able to complete the preliminary design for the facility and the permit application can be submitted to DEP by 03/01. (DEP typically takes approximately six months to review a permit application before issuing a permit to construct.) That permit is needed in order to proceed with the bidding process for actual installation of the project, which they are hoping to award by 11/01.

Discussion ensued regarding a Letter of No Prejudice that is required from PENNVEST prior to awarding the construction contract. Mr. Malarich explained that the major item associated with the

Letter of No Prejudice is documentation that there is an interim financing plan in place. He provided a list of acceptable interim financing plans through PENNVEST. Chairman Fleagle noted that the WBA has a financing plan in place for the engineering costs and for the shop drawings for the filters. Mr. Malarich noted it is his understanding that if the contract is awarded for the filters, financing must be in place for the entire contract (which is essentially \$1,000,000).

Mr. Malarich added that Jon Fleagle and Leiter Pryor attended a pre-planning meeting with PENNVEST a week ago. As the WBA is well aware, PENNVEST is very competitive. Projects are ranked, and the highest ranked projects get funded. During that meeting, PENNVEST representatives stated that this is an “average” project. Mr. Malarich cautioned the WBA not to count on receiving PENNVEST money. The WBA also submitted applications to DCED for an H2O grant. The Commonwealth Financing Authority was to meet in November .. meetings have been postponed since then, and they will now consider applications at their upcoming meeting in March.

Mr. Malarich referred to the site drawings showing proposed locations for the facility upgrades. He discussed their rationale for the locations proposed in-depth and asked for the WBA’s input. Their goal was to stay out of the 100-year flood plain at the site, and to put facilities where there is space available and accessibility is not an issue. Mr. Malarich noted that sludge production will be increased by approximately 25-30% because of the removal of phosphorus. Solids handling was also discussed, as well as where the mechanical sludge dewatering facilities (if constructed at this time) could be located on the site. After more discussion, it was agreed that the WBA would provide comments regarding these proposed locations no later than their February meeting.

Mr. Malarich noted that he also included information and brochures from the three (3) main suppliers of denitrification filters for the WBA’s review. He noted he will be on-site with the chemical suppliers on Friday and with a geo-technical company in early-February.

Leiter Pryor reported that he is currently working on a financing plan, and plans to obtain a proposal from area banks for at least \$1,000,000-\$2,000,000. As mentioned by Mr. Malarich, the meeting with PENNVEST was not very encouraging.

WELL #2 UPDATE: Leiter Pryor reported that one leg of the three-phase power at Well #2 malfunctioned over the previous weekend. He contacted Emerson – the item is still under warranty and will cost nothing to repair. He reported that there have been no other issues; and communication difficulties in the past between the main plant and the well have been resolved. Loan documents for the project will be closed-out in the near future.

UTILITY BILL CREDIT CARD PAYMENTS: Leiter Pryor reported that he is still doing research on this matter. He and Jason Cohen watched a webinar the previous week for Express Bill Pay (which is compatible with the Borough’s billing/accounting software), and he will meet with representatives from local banks to determine what they can offer. He confirmed that they are “still shooting” for July. He added that they plan to “go live” with the new billing software on 02/01; they will run it in tandem with the old system; and on 03/01, they will begin using the new system. Once that is up and running, they plan to pursue online bill and credit card payment, Mr. Pryor noted that he will review the feasibility of charging fees to the customers for this service.

DELINQUENT UTILITY BILLING COLLECTION PROCEDURES: Mr. Pryor explained how outstanding utility bills are handled with regard to foreclosed properties. The Borough subscribes to a publication from the Prothonotary’s Office which lists upcoming Sheriff’s Sales on County properties. If an account is outstanding in an amount over \$200, a municipal lien is filed. If/when the property is sold, the Borough receives the payment. In the meantime, the water is turned off (if access can be gained). If the property is owned by a bank from out of the area, service is terminated at the curb – but the billing continues as long as the meter is intact. At this point in time, Mr. Pryor estimated there is approximately \$10,000 outstanding in liens. He has discussed the matter with Lloyd Reichard, and

they have determined there is no other practical avenue that could be taken because legal fees would be involved.

Leiter Pryor also reported that the occurrence of 20-day notices has increased significantly, and at present there are approximately 7,500 being processed each year. This results in a lot of time and money spent (an estimated \$7,000/year). He noted that 20-day notices are not required by law ... only 10-day notices and posting the property; and he questioned if the WBA would want to continue with that policy. It was suggested that if 20-day notices are discontinued, this may increase the instance of non-payment. An additional \$10.00 posting fee is currently charged for each 20-day notice. After a description of the billing cycle/procedure, Mr. Pryor mentioned that the last billing cycle included 17 customers being shut-off (10 were paid and turned back on). Mr. Pryor was requested to prepare a summary of the notice/shut-off process, the fees charged and the costs thereof for further consideration. It was noted that any fees charged must be justified, but this might provide a deterrent for individuals who do not pay. Of course, the acceptance of credit cards for payment may help to eliminate this need.

WATER AVAILABILITY LETTER (WTMA): Mr. Pryor noted that he received a request for a water availability letter from WTMA for a one-lot subdivision off Wharf Road, which is in the Borough's indirect water service area. Scott Crum reviewed the request and noted no issues with volume or pressure. Lee Layman made a motion to agree to serve water to this property, subject to their application submission. It was noted that utility drawings will need to be provided to the WBA for comment. Allen Stine seconded; the motion passed unanimously.

ZONING ORDINANCE AMENDMENT TO INCLUDE MUNICIPAL UTILITIES: Chairman Fleagle announced that Borough Council will hold a hearing the following evening at 7:15 p.m. to consider an amendment to the Zoning Ordinance which will allow public utilities in all zones of the Borough. Borough Council will then consider the proposed ordinance amendment at their meeting following at 7:30 p.m.

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

Water Construction Fund Requisition #WC-85 - Gannett Fleming Companies - \$3,953.34 - Construction Management Services related to Membrane Treatment at Well No. 2 for the period of November 20, 2010 through December 31, 2010

Allen Stine seconded; the motion passed unanimously.

PUBLIC IN ATTENDANCE: Wayne Bartholow, a member of the public, was in attendance. Based on information he read in past WBA minutes, he questioned if the vehicles which were illegally parked on their wellsite property had been removed yet. Following a brief explanation of the situation, Leiter Pryor was advised to send Mr. Baer another certified letter instructing him to remove the vehicles within ten (10) days. If additional vehicles are parked there in the future, they will be towed away. Mr. Pryor was also instructed to provide the WBA members with a copy of the access agreement for the property for further review.

Mr. Bartholow also made mention of previous discussions in the minutes regarding the unpaid tap fees for Craig Mahrle; and he questioned if those had been paid. Chairman Fleagle noted that a payment plan has been arranged with Mr. Mahrle. He added that the matter has been discussed with the Building Inspector to ensure that tap fees are paid prior to the issuance of a building permit for future properties.

Having no further business to discuss, the meeting adjourned at 9:45 p.m. on a Stine/Snively motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant