

WAYNESBORO BOROUGH AUTHORITY

JUNE 21, 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, Lee Layman, Christopher Snively, S. Allen Stine and William Pflager

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

Others – John Conrad, Miller & Smith

APPROVE MINUTES: Christopher Snively made a motion to approve the minutes of the April 19th and May 17th meetings, as written. Lee Layman seconded; the motion passed unanimously.

GEMCRAFT DEVELOPMENT UTILITY MAIN EXTENSION AGREEMENTS: John Conrad, Vice-President of Miller & Smith (consultants for Wells Fargo) was present to discuss the Gemcraft (DLM) Development. He explained that he is doing the prep work for a “friendly” foreclosure on the second half (unbuilt) of Brimington Farms. He added that Gemcraft has come out of bankruptcy, is operating again, and selling a few houses. Wells Fargo intends to “sit on” the property for a few years until the real estate market improves, and will then sell it to someone else for development.

In reviewing the title work for the property, it was discovered that the WBA entered into an agreement with Brian McNew of Brim Builders (former owner of the development) to provide off-site water for the project. Leiter Pryor explained that an 8" water line from Joe Daniels' property on Welty Road was to provide a secondary feed into the development. As the development was built out, additional volume was needed (particularly for fire flow); and a loop was thereby created. The agreement signed by Mr. McNew outlined several items and contained three (3) attachments, none of which have been recorded. None of the agreements “run” with the land ... they are all between individual people and the WBA. The various attachments were discussed; and Mr. Conrad noted that the easements across the Otterbein and Daniels' properties have been signed/notarized, but need to be recorded.

Discussion followed regarding the need for an easement over the DLM property. Mr. Conrad noted that, in order for a new developer (in the future) to build that section, he will need to run the water across the already-developed DLM portion. WBA agreed; and Mr. Conrad will have Attachment #1 revised for execution by DLM (after review by the WBA). Mr. Conrad noted that Wells Fargo should be invoiced for the recording fees for the easements.

WBA continued with discussion regarding the need to record other documents in the future, particularly Water Main Extension Agreements. Chairman Fleagle suggested that all agreements and easements between the WBA and another party should be recorded, unless the WBA states otherwise. Lee Layman made a motion as such. Allen Stine seconded. After additional discussion regarding instances when the WBA may not want an agreement recorded (thereby binding the real estate), William Pflager made a motion to table the matter until a list can be prepared outlining which agreements should be recorded. Allen Stine seconded; the motion passed unanimously.

UPDATE - SEWER PLANT UPGRADE: Leiter Pryor distributed copies of the minutes from the meeting held with Gannett Fleming representatives. Chairman Fleagle noted that the meeting was productive ... and the biggest issue discussed was the restrooms. The architect explained that the ADA requires both a mens' and womens' bathroom (a unisex bathroom would not be permitted). Those requirements were reviewed further; and Mr. Pryor explained that an advisory clarification was issued to the ADA about liability in response to various lawsuits on the matter. WBA members agreed to "stew" on the matter further and reviewed other issues/modifications discussed at the meeting. Discussion returned again to the bathroom issue, and time and costs of challenging the decision were considered. WBA members agreed to proceed with changes to the plans, as presented.

Leiter Pryor reported that the contract documents for pre-purchase of the denitrification filters have been received back from ITT for WBA signature. It was also mentioned that the Letter of No Prejudice has been received from PENNVEST. Lee Layman made a motion to execute the appropriate documents. Christopher Snively seconded; the motion passed unanimously.

UPDATE - PENNVEST APPLICATION (STP UPGRADES): Chairman Fleagle noted that the WBA's application has been mailed and will be considered at the upcoming PENNVEST meeting on 07/20. Letters requesting support for the project have been forwarded to Representative Todd Rock and Senator Rich Alloway (and will also be sent to Congressman Bill Shuster, along with a request for any available funding from other sources). Chairman Fleagle thanked Mr. Pryor for his efforts in preparing the application for submission.

BOND REFUNDING UPDATE: Leiter Pryor reported that the bonds were refunded on 05/31; and as the bonds no longer exist, there is no longer a trust indenture binding the WBA to utilize a trustee for the payment of WBA invoices. Accordingly, he asked for the WBA's authorization to close-out the trust funds, which are no longer needed, and make the appropriate transfers into the newly-created retail accounts.

Current balances in the various Trust Department accounts are as follows:

Water Revenue Fund - \$990,838.00

Water Construction Fund - \$1,301,813.70

Source Development Fund - \$97,322.75

Sewer Revenue Fund - \$614,487.39

Sewer Construction Fund - \$93,400.29

Debt Service Reserve Fund - \$12.31 (to be transferred to the Water Revenue Fund)

Bond Redemption Improvement Fund - \$1.30 (to be transferred to the Water Revenue Fund)

Bond Redemption Improvement Fund - \$58.18 (to be transferred to the Sewer Revenue Fund)

Bond Payment Fund (Water and Sewer) - \$14,825.53 (\$9,943.34 to be transferred to the Water Revenue Fund and \$4,882.19 to be transferred to the Sewer Revenue Fund)

In addition, instead of sending requisitions to the bank for the payment of invoices, checks will be prepared for the WBA's signature/processing. He added that Susquehanna Bank has offered a 1.14% return on the accounts; and reported that the current fund totals are \$2,000,000+ (Water Fund) and approximately \$1,700,000 (Sewer Fund).

Allen Stine made a motion to authorize close-out of the trust funds, establishment of the accounts noted, and the appropriate transfers as described. William Pflager seconded; the motion passed unanimously.

PENNVEST (WELL 2) ACH PAYMENT: In conjunction with the previous action, Mr. Pryor noted that the ACH payment for Well No. 2 had previously been deducted from the trust account. Paperwork is now required to authorize the payment from the new Water Revenue Fund. Lee Layman made a motion to authorize ACH payments from the WBA Revenue Fund for the well, as recommended by Leiter Pryor. Christopher Snively seconded; the motion passed unanimously.

INTERIM FINANCING - STP: Leiter Pryor reported that the closing on the interim financing has been tentatively scheduled for 06/29 or 06/30. Christopher Snively (Secretary) and Jon Fleagle (Chairman) will need to be present to sign the required documents. Leiter Pryor presented a proposed Resolution for the WBA's approval to authorize the borrowing. Solicitor Lloyd Reichard noted that he received copies of the loan documents yesterday for review. Christopher Snively made a motion to approve the proposed resolution, as presented. William Pflager seconded; the motion passed unanimously.

RESOLUTION #2011-04

RESOLUTION FOR INTERIM FINANCING FOR PROJECT COSTS

Complete copy on file at Borough Hall.

APPROVE 2010 WATER AND SEWER AUDITS: Chairman Fleagle noted that the 2010 Water and Sewer Audits have been completed and received from Smith Elliott Kearns & Company. Several minor deficiencies were noted, all of which were related to the bonds. Christopher Snively made a motion to approve the 2010 Water and Sewer audits prepared by Smith Elliott Kearns & Company. William Pflager seconded; the motion passed unanimously.

UPDATE - ONLINE UTILITY BILL PAYMENT: Leiter Pryor noted that WBA members received correspondence from Assistant Borough Manager Jason Cohen with regard to online bill pay and associated fees. The WBA had previously noted their desire to charge a convenience fee to customers utilizing the service to cover lost revenue. Mr. Cohen did extensive research on the matter and is subsequently recommending charging a \$3.50 convenience fee to cover the associated fees for each transaction (with the fee being re-evaluated and/or adjusted after six months). Credit card users will be charged the \$3.50 fee, however customers utilizing ACH (recurring automatic withdrawals) cannot be charged a fee.

Mr. Cohen will present this proposal also to Borough Council for approval, and would like to have the WBA's "blessing". He added that the service should be available in mid-July; and information/instructions (including the fee to be charged) will be provided on the utility bills and the Borough's website. Lee Layman made a motion to concur with Mr. Cohen's recommendation regarding electronic payments, ACH transfers and convenience fees. William Pflager seconded; the motion passed unanimously.

ASSISTANCE IN FINANCING OPTIONS: Leiter Pryor noted he was contacted by Concord Public Finance Company, a financial consultant who provides guidance to municipalities and school districts in locating financing options for major capital projects. Information was provided for review; and Mr. Pryor noted the WBA may be interested in a presentation if their PENNVEST application is not successful. WBA members concurred.

T-MOBILE (INSTALLATION OF ADDITIONAL EQUIPMENT): Leiter Pryor noted that T-Mobile would like to add additional equipment at the N. Broad Street Reservoir. He has requested detailed drawings of the proposed installation(s), particularly on the tank – that information should be available for the Authority's next meeting..

GETTYSBURG BICYCLE, INC. (REQUEST RE: RACE): Leiter Pryor received the annual request from Gettysburg Bicycle, Inc. to use a portion of the watershed for their race to be held this year on

09/11. No past problems were noted, and the organization carries liability insurance. Christopher Snively made a motion to approve the request. William Pflager seconded; the motion passed unanimously.

PAY BILLS: Leiter Pryor reported that checks for the newly-created WBA accounts have been ordered and should arrive shortly. If there is a delay, he may request that the bank issue checks for payment of these invoices. In the future, however, it was noted that requisitions will be prepared for approval (and checks prepared for the Treasurer, Lee Layman's, signature). Allen Stine made a motion to approve payment of the following requisitions –

Water Revenue Fund Requisition #11-11 - Smith Elliott Kearns & Company - \$1,200.00 - Progress billing for services rendered in connection with audit of financial statements for the period ended December 31, 2010

Water Revenue Fund Requisition #11-12 - Smith Elliott Kearns & Company - \$120.00 - Audit of financial statements and preparation and presentation of report thereon as of December 31, 2010 (less progress billings)

Water Revenue Fund Requisition #11-13 - D. Lloyd Reichard, II - \$913.50 - Professional services for July, August and September, 2011

Water Revenue Fund Requisition #11-14 - Gannett Fleming Companies - \$231.04 - Water system engineering services related to the performance of the duties of the Authority's consulting engineer and other services as authorized for the period of March 26, 2011 through May 6, 2011

Sewer Revenue Fund Requisition #SA-63 - Smith Elliott Kearns & Company - \$800.00 - Progress billing for services rendered in connection with audit of financial statements for the period ended December 31, 2010

Sewer Revenue Fund Requisition #SA-64 - Smith Elliott Kearns & Company - \$80.00 - Audit of financial statements and preparation and presentation of report thereon as of December 31, 2010 (less progress billings)

Sewer Revenue Fund Requisition #SA-65 - D. Lloyd Reichard, II - \$913.50 - Professional services for July, August and September, 2011

Sewer Construction Fund Requisition #935 - Gannett Fleming Companies - \$95,531.56 - Engineering services to the Waynesboro Borough Authority associated with the upgrade and rehabilitation of its wastewater treatment plant for the period of February 26, 2011 through March 25, 2011

Sewer Construction Fund Requisition #936 - Gannett Fleming Companies - \$7,601.84 - Engineering assistance to Waynesboro Borough Authority associated with PENNVEST financing for the Wastewater Treatment Plant Rehabilitation Project for the period of March 26, 2011 through May 6, 2011

Sewer Construction Fund Requisition #937 - Gannett Fleming Companies - \$130,804.56 - Engineering services to the Waynesboro Borough Authority associated with the upgrade and rehabilitation of its wastewater treatment plant for the period of March 26, 2011 through May 6, 2011

William Pflager seconded; the motion passed unanimously.

Having no further business to discuss, the meeting adjourned at 9:15 p.m. on a Snively/Stine motion which passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant