

WAYNESBORO BOROUGH AUTHORITY

NOVEMBER 17, 2009

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

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

Others – Robert Gunder and Kerry Bumbaugh, Quincy Township Supervisors

APPROVE MINUTES: A minor correction was noted on page 1 of the October 20th minutes. Lee Layman made a motion to approve the minutes, as amended; as well as the minutes of the November 3rd special meeting, as written. Christopher Snively seconded; the motion passed unanimously.

QUINCY TOWNSHIP - REQUEST FOR WATER: Robert Gunder and Kerry Bumbaugh, representing the Quincy Township Supervisors, were present. Mr. Gunder noted that, as he's sure the WBA members are aware, there is a contamination problem in Quincy Township and DEP is willing to give funding to solve the problem. They are pursuing their options with Washington Township, WBA and Mont Alto (which is probably out of the picture). They have already approached WTMA to get their reaction, and their engineer has been in contact with Leiter Pryor to obtain information on WBA's system and rates. Kerry Bumbaugh noted his appreciation to Leiter Pryor, Kevin Grubbs and Scott Crum for their cooperation in providing the information they have requested.

Mr. Gunder posed their first question – does the WBA have the water, and would they be willing to entertain a request to supply Quincy Township with 100 EDU's (which would take care of the contaminated field); and possibly an additional 200 EDU's? Mr. Bumbaugh noted that DEP would pay the up-front costs for the first 100 EDU's, but Quincy Township would have the burden of finding funding for the lines, etc. for the additional residents who would like to have water. Of course, any development within that area would be responsible for their portion, but Quincy Township is mainly concerned with existing dwellings on cisterns and wells "that are not in the best of shape" as well as their municipal building on Mentzer Gap Road. They clarified that it would be all residential (only several are small businesses); and there are currently no large water users in Quincy Township. The WBA would not be required to run any infrastructure. Mr. Bumbaugh stated that they "will take whatever you give us as it comes out of the pipe" (i.e. if there isn't enough pressure, DEP's engineers will have to solve that problem). DEP will be reviewing all scenarios to determine which municipality it would be best to receive water from. DEP is looking at the tap fee costs, but Quincy Township is looking at the cost per gallon (or bulk rate).

Chairman Fleagle noted it is the WBA's policy that anyone they serve water to becomes their customer. That model works best because it provides the customer with the cheapest rate and ensures them that they will have a good supply for as long as they need it. As far as capacity for 300 customers, the WBA wouldn't have a problem with that.

Mr. Fleagle clarified that these would be WBA customers (just as the customers in the direct water service area in Washington Township are handled) – WBA would bill them, they would pay WBA, WBA would maintain the lines, and WBA would supply the water. WTMA is not involved at all. It is up to the customer/developer (or DEP in this case) to put in the distribution system. The customers would be charged capacity and connection fees of \$3,000 per unit, but no distribution fees would be charged.

Scott Crum has looked at several different scenarios, but probably one of the big issues would be getting the water to Quincy Township. Mr. Crum noted the best alternative would be at Waynesboro Apartments or at the PRV station in front of the Waynesboro Country Club (which would help with the higher elevations). Further discussion ensued regarding both options and the pros/cons for each.

Discussion then returned to the fact that DEP is willing to install and turn the line over to Quincy Township. Quincy is hoping that an agreement could be developed between the two authorities that would establish a flat rate per gallon (and they would do the billing) that would be a win/win situation for both. Chairman Fleagle noted that the WBA would not be willing to go for that. If WBA serves them water, they would expect to have them as their customers. That would protect the WBA in the long run, but it is also the way they have been operating. Mr. Bumbaugh then speculated that DEP could turn the infrastructure over to the WBA; but for expansion possibilities, would the WBA be willing to put in lines to expand their other areas? Mr. Fleagle noted that would have to be done by either grant money, Quincy Township, or a developer. Mr. Gunder noted that once there is a demand for water in other areas (and they view this line as a temporary stop-gap measure), at some time in the future they would essentially have their own water supply and system. Mr. Fleagle noted that is what the WBA is trying to avoid – when that revenue is seen and used for several years for capital projects, etc., it would be difficult for it to be lost at some point “down the road”.

Mr. Gunder explained that WTMA operates the opposite of WBA. They have no problem with Quincy Township owning the line and operating/maintaining it. They are willing to operate with a bulk meter; and if there is a leak, Quincy Township would take care of it.

Mr. Bumbaugh explained that they are trying to find a way to put money into a fund to expand the lines in the future, but they would receive no revenue from the customers who would be served by WBA.

The discussion then turned to the possibility of purchasing the Hess well from the WBA. Kerry Bumbaugh requested that the WBA consider the matter and get back to them with a figure. Quincy Township may want to consider this as a future option.

SOURCE DEVELOPMENT UPDATE: Leiter Pryor noted that most of the punch list items have been completed. There are no close-out documents yet, however he presented a substantial completion certificate for the WBA's execution.

He noted that another new hot water heater has been installed, but there were still issues with error messages on the display board. In addition, he explained issues with the interior door locks. Apparently tumblers are no longer supplied to the contractors (due to the Homeland Security Act). Accordingly, Chris Guyer re-keyed everything and the invoice will be paid by the contractor. The electricians completed their work today, and the chemical feed pump issues have been resolved. He had also mentioned difficulties previously with the chemical feed pump for fluoride – and he feels that a static in-line mixer will need to be installed at a later date to improve samples.

Mr. Pryor also talked about the spring on the Long property (and the possible draw-down from the WBA's well). He noted that on their first visit, there was a little water in the spring and they took a measurement. They turned the well off all weekend and there was a slight increase in the spring level, but it had rained for four (4) days straight. He feels that the rain impacted the level more so than the

well. The well was then turned back on and the level dropped slightly in the spring (but there was no rain that week). There is currently no water in the spring. Mr. Pryor added that when the well was turned off for 48 hours, there was no improvement and the static level in the well came back up to normal. He will continue to monitor the situation and will report back. It was noted that Mr. Long does have another source of water for his cattle.

Leiter Pryor added that the Maintenance Department installed a sample line from the main to the plant to monitor fluoride. This will make it easier for the operators to do sampling.

BIOSOLIDS UPDATE: Leiter Pryor reported that they “got the blessing” from DEP for the biosolids program, and they are “back on track” with the land application program. Sludge was hauled the last two (2) weeks, and they cleaned out the secondary digester. Hopefully they will continue to have good test results. He added that bids for sludge hauling will be solicited after the first of the year.

Chairman Fleagle asked if there was any progress on Gannett Fleming’s study on the sewer plant upgrade. Mr. Pryor noted that they have viewed the facility and the sampling results conducted and have recommended four (4) different scenarios for consideration. He noted they are as follows:

- Keep the biofilters and upgrade the existing WWTP to provide chemical feed facilities for phosphorus control and post denitification filters for total nitrogen control. Continue to discharge to the stream channel adjacent to the WWTP.
- Replace the biofilters with a Sequencing Batch Reactor (SBR) process for BOC and suspended solids removal, total nitrogen removal and phosphorus control. Continue to discharge to the stream channel adjacent to the WWTP.
- Keep the existing unit treatment processes and purchase TN and TP credits. Continue to discharge to the stream channel adjacent to the WWTP.
- Keep the biofilters and add an effluent sand filter. Continue to discharge to the stream channel adjacent to the WWTP during “winter” months and provide effluent to the Waynesboro Golf Course for irrigation use during the “summer months”.

A final report should be available for the Authority’s next meeting. He suggested that the WBA may wish for Mark Malarich to attend the meeting to explain these options more thoroughly. They concurred.

Mr. Fleagle noted that he has read articles regarding the availability of additional economic stimulus funds. He suggested that Mr. Pryor contact Ken Myers for further information.

ROOF REPLACEMENT - WATER PLANT: Leiter Pryor reported that the bid for roof replacement at the Water Plant was awarded to Bonded Applicators. Work on the upper and lower roofs will begin the week of November 23rd.

RENOVATIONS TO SECOND FLOOR CONFERENCE ROOM (FORMERLY SENATOR TERRY PUNT’S OFFICE): Leiter Pryor noted that discussion had been held previously regarding renovations to the Senator’s former office. Melinda Knott reported on prices received for conference tables, chairs and carpeting. Authority members were receptive to paying for the needed renovations mentioned, including new paint, new draperies and new ceiling tiles (if needed). Costs will be taken from the WBA’s Tank Maintenance Fund; and Chairman Fleagle instructed Melinda and Leiter to proceed.

GEMCRAFT BANKRUPTCY: Leiter Pryor stated that Gemcraft has filed for Chapter 11 bankruptcy. DLM, LLC (a subsidiary company) entered into agreement with the WBA for upgrades at the Enterprise Avenue Pumping Station. They had been making payments on time, but he has not yet received their payment for October. The outstanding balance at this time is approximately \$90,000. Lloyd Reichard explained that Gemcraft is looking for \$25,000,000 of post-petition financing; and the

Chapter 11 would be a means of putting that financing in place so they can pay their labor and continue with development. A meeting has been scheduled in Baltimore for mid-December, and Mr. Reichard suggested that it may be beneficial for he and Leiter Pryor to attend the meeting. The WBA has until May to file a proof of claim, and additional information would be helpful in assessing the situation. Chairman Fleagle instructed Mr. Reichard to do whatever is necessary to get their money.

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

Sewer Requisition #907 - Reichard Law Offices, LLC - \$1,827.00 - 3rd Quarter Solicitor Fees

Sewer Requisition #908 - Material Matters, Inc. - \$5,975.11 - Environmental services in connection with assessing biosolids quality relative to regulatory limits and assisting with identifying the source of discharge for the period of June 20, 2009 to July 17, 2009

Sewer Requisition #909 - Material Matters, Inc. - \$1,760.00 - Environmental services in connection with assessing biosolids quality relative to regulatory limits and assisting with identifying the source of discharge for the period of July 18, 2009 to August 14, 2009

Water Requisition #09-26 - Reichard Law Offices, LLC - \$1,827.00 - 4th Quarter Solicitor Fees

Water Requisition #09-27 - Bash Contracting, Inc. - \$4,497.50 - Deer Fence

Water Requisition #09-28 - Gannett Fleming Companies - \$257.28 - Water system engineering services related to the performance of the duties of the Authority's consulting engineer and other services as authorized (2009 Annual Services) for the period of September 26, 2009 through October 23, 2009

Water Construction Fund Requisition #WC-52 - Gannett Fleming Companies - \$5,351.91 - Construction Management Services related to Membrane Treatment at Well No. 2 for the period of September 26, 2009 through October 23, 2009

Water Construction Fund Requisition #WC-53 - Gannett Fleming Companies - \$312.46 - Water system engineering services related to the performance of the duties of the Authority's consulting engineer and other services as authorized (PENNVEST Assistance - Well 2) for the period of September 26, 2009 through October 23, 2009

Allen Stine seconded; the motion passed unanimously.

PROPOSED 2010 WATER AND SEWER BUDGETS: Leiter Pryor presented the proposed 2010 water and sewer budgets with the requested revisions from the November 3, 2009 special meeting. After some discussion of the proposed 2010 sewer budget, Lee Layman made a motion to adopt the proposed 2010 sewer budget with no rate increase. William Pflager seconded; the motion passed unanimously.

After some discussion of the proposed 2010 water budget, Christopher Snively made a motion to adopt the water budget, as presented, with no rate increase. William Pflager seconded; the motion passed unanimously.

SUBSTANTIAL COMPLETION CERTIFICATE - WELL #2: Leiter Pryor requested that the WBA take formal action on approval of the substantial completion certificate that was discussed earlier in the meeting. Christopher Snively made a motion to execute the certificate. William Pflager seconded; the motion passed unanimously.

Having no further business to discuss, Christopher Snively made a motion to adjourn the meeting at 9:30 p.m. Lee Layman seconded; the motion passed unanimously.

Respectfully Submitted,

Melinda S. Knott
Administrative Assistant