

Shippensburg Borough Authority Minutes  
February 11, 2014  
7:00 pm

Meeting to Order: 7:00 pm

Present:       Geno Torri (GT)- absent       Forest Myers (FM)       Lance Hoover (LH)  
                  Dennis Fleagle (DF)       Dan Hershey (DH)  
                  Troy Pomeroy (TP)       Louis Larson (LL)  
                  Steve Brenize (SB)       Michael Pimental (MP)

Michael Pimental: We will call this meeting on February 11<sup>th</sup> to order of the Shippensburg Authority.

**PUBLIC COMMENT**

Mike Pimental: Is there any public comment? No one here from the community here to address the Authority. No members from the press here this evening.

**CONSIDERATION TO APPROVE MINUTES JANUARY 14, 2014**

Denny Fleagle: Page 11, 2

Michael Pimental: Mr. Brenize was not available to vote on the minutes in January because he was not present. Page 6, Page 10

Denny Fleagle: I will make a motion that we approve the minutes with the additions and corrections as stated.

Troy Pomeroy: Second.

Michael Pimental: All those in favor, motion carries unanimously.

**CONSIDERATION TO APPROVE WATER SERVICE REQUEST FROM K & W ENGINEERS & CONSULTANTS FOR SHEETZ REBUILD PROJECT**

MP: Lance would you like to give us some background here please?

LH: We have received a request from K & W Engineers on behalf of Sheetz for a water service request, who is here on behalf of Sheetz this evening? The request that we have in front of us would be for a proposed usage of 2500 gallons per day. I believe that there is an email and that number may have increased to 2800 gallons per day, is that correct?

Forest Myers: 2500 is the appropriate number. I received an email from their attorney and I emailed him back and said has this gone up and he indicated that it was actually 2500 GPD.

LH: Okay. The request as it is laid out identifies existing usage at the current Sheetz store and existing usage at the Quick Lube providing a total usage and then it also provides a proposed total usage 2500 GPD and that is the request that is in front of us at the last meeting. We did authorize the check in the amount of \$3000.00 and it is my understanding that some additional review has been done so it is placed back on the agenda for the Authority to discuss and take some action.

Denny Fleagle: I make a motion that we approve the water service request from K & W Engineers and Consultants for this Sheetz rebuild project.

Michael Pimental: Okay, it has been moved by Mr. Fleagle is there a second?

Steve Brenize: We are just approving their ability to be able to get water to move forward with the project. This is the exact number of EDU's that they will be using?

Dan Hershey: We have gotten additional information from their engineer and we have justification that is the correct number. The total additional EDU's we are looking at is 6 EDU's for the property.

FM: One thing that came up at the last meeting, I didn't check if it was in the minutes. We talked about the seats in the restaurant and it was indicated to me that the 2500 GPD does include the restaurant seating. I think that there was some thought that maybe that was just for the store but what about the café restaurant. The 2500 GPD request does include the restaurant.

SB: I will second.

MP: Any other discussion? Hearing none, Motion carries unanimously.

Mark Kronski: Does that now authorize us to now address this, Mr. Hershey may have some review comments and move forward with presenting the tapping fees and we need to get those things resolved as soon as possible and then move forward so we can begin construction.

MP: That sounds correct to me. Mr. Secretary?

LH: Yes, at this point in time I will speak with Donna tomorrow and let her know the actions of the Authority. Yes, that certainly will do just what you stated.

Mark Kronski: If there are any review comments please just let us know.

Forest Myers: The only other issue that I have is the location of the service line.

Louis Larson: That is one of the things that we are addressing in our comments.

MP: Everyone satisfied with this issue and shall we move on?

#### **CONSIDERATION TO APPROVE WATER SERVICE REQUEST FOR RAIDER CAPITAL VENTURES, LLC & SHANER HOTEL GROUP**

LH: I can provide the information on this; we have received a request from Raider Capital Ventures. The project has been opened on this one so the escrows are available and everything is in review at this point in time. The request as it is in front the Authority is for a total of 47 EDU's. I can turn it over to Dan in just a second. It is for a hotel and a restaurant/bar and for a total of 47 EDU's and I will turn it over to Dan and he has prepared a letter and has done some review work.

Dan Hershey: Page 19 in your packet has our review letter and we concur with the calculations for the capacity of the 47 EDU's, there was no fire demand as part of this request so that wasn't evaluated at this time. We have also provided the total tapping fee of \$102,225.00. There was a request for consideration to reevaluate the flow after a year. The Authority is not obligated to honor that request as per the Municipal Authorities Act. In the past you haven't done that as a practice. Once you begin that practice you would want to stay consistent with what you are doing. The Act allows you to go back and look at the usage and increase the amount of EDU's assigned but you are not under any obligation to decrease them.

MP: So, your caution to us is in this particular act and as we go forward to not to agree to any retroactive look in order to see whether or not the quantities used match the quantities that were agree to originally, is that correct?

DH: No, I am saying that it is okay to go back and look after a year if the usage is less than allocated then do not decrease the number of EDU's allocated to more usage than was allocated then I think you need to go back and request additional EDU's and additional tapping fees.

MP: So, the caution is to not go back and reduce but you can go back and look to see if more is needed. If there was less than what was originally calculated that remains a cushion if you will therefore a benefit to that particular customer.

DH: You don't know the evaluating year was something that maybe there were operating at full capacity, there are a lot of questions within that number. You do have the ability to go back and increase it; I wouldn't recommend that you decrease any of the allocated EDU's.

MP: Okay, thank you.

FM: I would think that would be true when you are looking at a startup type business.

SB: The whole purpose for charging for EDU's is to reserve that capacity for that user. So, that is the capacity based on the number of seats and the number of rooms that is called for and based on calculating how many EDU's is needed. Based on the building itself it is a 47 EDU building and whether they end up using more than 47 is something to be determined but if they use less it still remains a 47 EDU building.

MP: Understood.

DF: I will make a motion that we approve water service request for Raider Capital Ventures, LLC and Shaner Hotel Group for 47 EDU's at this time.

TP: Second.

MP: Any further discussion? Motion carries unanimously. Thank you.

### **DISCUSSION RELATIVE TO THE WATER SERVICE REQUEST FOR SHIPPENSBURG UNIVERSITY CHILLER PROJECT**

LH: I was contacted by Mr. Weidner of Gannett/Fleming last week in regards to a request that had been made to the Water Authority back in September of 2013. Through our discussions there were some emails it appears that the official request that I was able to find placed in front of the Authority was for 40,000 gallon per day usage. I will turn it to Dan; he has some additional coordination and some review time.

DH: The last official request was for 40,000 and we had some discussion and meetings after that and we haven't heard anything since maybe October, 2013 somewhere in that time frame. I received a call from a Peter Merlow asking some questions. I think that was the first that we heard about it since October and that is why it is back on the agenda to discuss tonight. Did the Authority have an official response to that original request? I don't think that we ever got to that point where we had a written response because we were still in discussions before we got to that point.

MP: Okay.

Bob Weidner: The letter that we specifically wrote was the October 7<sup>th</sup> letter? You probably have seen Tom Long in the past and he has since retired. My point was that you mentioned the 40,000 and I just wanted to make sure that that where we kind of requantified information.

Dan Hershey: This was part of discussions at the time and we didn't concur with the method of calculation and there was no.... I think we had left the last meeting we were going to go back with your engineer to look and see a revised calculation and there were some efficiencies in the chiller unit with the way those units were operated. That is the best that I can remember after this amount of time.

Bob Weidner: And, you are suggesting that the October 7<sup>th</sup> letter didn't do that?

DH: I am suggesting that the October 7<sup>th</sup> letter didn't do that in a sense that we didn't agree with the calculation provided in the October 7<sup>th</sup> letter. I think that Lance, that is what prompted our meeting after this letter was submitted to sit down and discuss those numbers.

Bob Weidner: The conversations were far ranging there but I think that was acceptable synopsis.

Lance Bryson: You wanted some information on University Housing plans. I brought that information separately tonight.

Bob Weidner: So, again coming into this and trying to get an understanding probably a couple things that we would like to, I am more than willing to work with Dan to get the number to where we want to be. I think that the key thing is, the University and DGS is looking for at least some acknowledgement to the fact that the infrastructure can support this project. That is what we were kind of hoping at least to get that moving forward and then I am more than willing to work, I know with these numbers Shippensburg has been able to get together because it is a dynamic thing as they have been adding things and actually the water consumption has been going down. It could help me with this in regards to calculating exactly that peak usage for that increase. I am more than willing to work through the calculation to get everybody comfortable with that. As I said, the project wants to go forward and the University and DGS would like to at least know that there is an agreement to the fact that the capacity can be provided.

DH: The last number that we really considered a good number to work off is the 40,000 GPD. We had discussions along those lines where there were numbers and presentation the University brought before us and Geno Torri had met with us and we didn't come to an agreement at that discussion. We still thought that the 40,000 was a good number at that time unless there was additional information that could change that. I don't believe that there was any resubmission after that meeting.

Bob Weidner: Did you say that you believe that was based off of this October 7<sup>th</sup> correspondence is that accurate?

DH: What do you mean based?

Bob Weidner: That 40,000 GPD. Our number now is less than 40,000.

DH: I am still basing that off of the original request to the Authority, yes. With this submission, again we do not agree with the number that was submitted here.

Bob Weidner: Okay.

DH: So, we still were ....

Bob Weidner: So we are still at an impasse with regards to this number?

DH: Correct.

Bob Weidner: Okay, so that is clear to me.

DH: When we left the meeting there saying that this number is not correct either and that there was going to be additional information provided that we could evaluate and say well then if it isn't 40,000 then it is something less than we would need additional justification for that.

Bob Weidner: I know that Lance has some information on that and on some information that he is gathering.

DH: If that is something that you would like to submit for us to evaluate that is fine. We went over those numbers extensively. I don't know Lance if you have seen the presentation from the University?

LH: I have not seen the presentation but I have looked through what we had available in the files. That was before I started.

SB: Do we have the information available to properly make a decision tonight?

DH: I don't think hearing a presentation tonight we are going to be able to make a decision because this is a fairly complex. The 40,000 GPD was a simple calculation provided by the engineer it made sense with trying to use different improvement projects on the campus to offset that number, it makes it a more complex problem and I don't think we will be able to make a decision tonight.

DF: I am not sure that the Authority wants to enter into anything like that. First off they didn't have EDU's assigned to any of that reduction. This is a new project that we are starting out fresh and we are going to move forward based on this project, the usage of the water and we

are going to base it on the EDU's necessary for this project. No reduction in water is going to mean anything to the Authority because there are no EDU's assigned. We can't take back EDU for a reduction when there were none.

Bob Weidner: Can I comment, so there is an existing boiler plant that will go off line which has a significant amount of make-up water associated with it and the new design incorporates hot water design with a much less significant make up water requirement. So you can see that the overall demand....

DH: I thought that they were air cooled units that were going off line so there were more units coming on to the water side? Again, the calculation was provided by your firm saying we will need an additional 40,000 GPD to operate this unit.

Bob Weidner: Initially, that was correct.

DH: That is when we said we are going to offset it with other things. The calculation was 40,000 GPD.

Lance Bryson: Their original calculation only addressed the chilled water side and the University asked them to look at the project as a whole which included the heat plus chilled water. When they came in and said that this project is both chilled water and heat that is when the number changed from 40,000 roughly to 28,000.

Bob Weidner: That is what I am trying to understand from your perspective. It is an overall project. The coal plant gets decommissioned it is a significant water user because of the approach we are using with the hot water boiler systems. That make up water will be significantly reduced so in addition to that, you are right. We do have a new central plant and those numbers are in there and the calculations for the make-up water with regards to the cooling tower, etc.

DH: Aren't you bringing additional houses on line also?

Lance Bryson: As a separate project, I have that information.

DH: Yes, but that is where it was all tied into this. That was in the presentation.

Lance Bryson: I can appreciate your interest in that but the University would address the housing as a separate EDU issue. I have got information here on that.

MP: I don't think that we will get any further this evening with this. If you all are putting efficiencies in place that will save you water usage I think you will see that reflected in what you pay for water. We can only deal with the calculations that tell us how many EDU's you are going to need. No matter what the business is or type of business when they come to us and they say we need X number of gallons per day and that is what we approve. If more people got into the business of saying well there will be a saving here and an addition there we have got to deal with what you need and what we can calculate, then we will provide that. We really can't get into this business of we will take this off line and then put that on line. If you have new calculations specific to your chiller then I recommend that you share those with Dan and then if Dan agrees with the numbers then I think we can move forward with maybe a new number but right now the only number that we have is the 40,000 GPD.

Bob Weidner: Okay, just a follow up to that. So, if the chiller plant has a net increase that number is probably pretty easy to calculate. If you have a significant net decrease that doesn't help, so the associated charge for the whole net increase even though there is a significant deduct because of the comprehensive project I hearing that there is not any consideration for a monetary or an adjustment with regards to that is that what I am hearing?

MP: That is correct. There is nothing in our policy that allows for that sort of adjustment.

DF: There are no EDU's assigned to that water.

MP: That is the other issue; you are grandfathered in there because that is before we had EDU's in place. There were no tapping fees for those.

Bob Weidner: Okay, if one was to actually meter the instantaneous peak flow and know what it is and then saw what the real net increase was with regards to the project would that be a justifiable way to have the charge associated to the project?

DH: I think that just ties into what we talked about earlier.

MP: Are we clear? Do we have a platform to go forward?

Bob Weidner: Yes with one question. Without knowing the number is there approval in general that the Authority will provide the capacity?

MP: I think that we can do this. Ask our secretary to validate if right now you wanted us to vote on the 40,000 per day do we have the capacity to supply? Would be able to supply the 40,000 per day if that was the request that we were being asked to vote on?

LH: I think we would, yes. I will second to Louis as well.

Louis Larson: I think it would be prudent for the Authority to get the preliminary approval for the 40,000 GPD pending review. We can handle 40,000 GPD.

MP: Okay, thank you. That is the answer that I am looking for. Yes, we have the capacity to deliver that. If you want a formal approval then we need the exact number. I think that is a step forward in this conversation. Since no action will be taken then we will move on.

#### **CONSIDERATION TO APPROVE WATER SERVICE REQUEST FOR 52 GILBERT ROAD FOR RONALD AND JAMIE SUDERS**

LH: This project was on for approval for the project itself at the last meeting and the Authority did approve the project. It is a single connection and the ultimate reason it is on the agenda the first place is due to the length it is approximately 300'. Last Friday I did receive a call from Mr. and Mrs. Suders requesting the status of that so I placed it back on the agenda. I have talked to Louis about it and I am not certain what Dan's thoughts are. It is for a single EDU and it is a long service line which is the reason it is presented to the Authority in this particular fashion. I don't believe anyone is here.

Dan Hershey: I would add that we approved the project last meeting but we had not moved forward waiting for the escrow, for something this small I don't think \$3000.00 escrow is really necessary but I didn't do any calculations without authorization or with that money set aside.

MP: Do we according to our current policy have the ability to request an escrow other than the \$3000.00 that I thought was established by a vote of this body.

SB: It is \$3000.00 or nothing isn't it?

LL: Here again, it is not a commercial project. This is a single family residential tap. The \$3000.00 was set up for commercial industrial type of projects where there would be extensive review. The only reason this is here is because it is over 150' long.

MP: Our policy doesn't make that distinction.

LL: It also doesn't make the distinction as to in that passage where it is over 150' where we have to charge an escrow.

FM: It has never been the policy of the Authority to charge an escrow.

SB: What you are saying is if this was 140' it wouldn't charge an escrow?

TP: It wouldn't even be here.

SB: So, because it is 300' but it may not require an escrow because...

TP: It is here for line sizing and that is it.

LL: Yes, that is it.

MP: We have never charged an escrow?

FM: In this situation for these long taps, the Authority has never charged an escrow. You did one of these about a year ago in the same general area and it just went through. Dan reviewed it and said what they needed and it has not been a situation where the requesting party had been asked to put into escrow funds to cover in this case the engineer and Louis.

MP: When you look under the rules and regs about this need of 300', it doesn't say that they will have to put an escrow up.

FM: No, it doesn't. Again, to my knowledge and going back to them reviewing these things and since Louis came on he asked the Authority to review anything over 150' had to be approved by the Borough and there are other issues.

DH: If it is a quick and simple review as I think this is, you are talking \$100.00 or less.

SB: What a residence that is 105' or 45' line is there any type of review at all? Does it go straight through Louis?

LL: It goes through me and the recommendation of the plumber.

SB: So, it is you and the plumber working together.

LL: Yes, in this case anything over 150' has to come to the Authority and we ask our engineer to give us a proposed line size and then when the Authority approves the long service line the recommendation of the engineer is with that and if the customer decides to deviate from that and he has problems he has no recourse because we recommended this.

SB: Okay. So there is, due to the fact that it is over 150' there is an additional cost by the Authority?

LL: Yes, up to \$100.00.

MP: Okay, I think I understand. So, Forest you are saying that there would be no change in precedent or we wouldn't be setting a new precedent if the board were to authorize this water service request?

FM: Yes, that is exactly what I am saying.

MP: Dan, you are saying that the cost would be about \$100.00 for your time for this service?

DH: Yes.

MP: Lance you are saying that you see no particular issue if this was to be approved, is that correct?

LH: No, I don't think there is an issue.

MP: It is up to the board and what action would the board like to take concerning this request for 52 Gilbert Rd?

TP: I would like to approve it and then whatever they have to pay pending engineering costs. I would like to make the motion to approve pending engineering costs.

SB: I will second that.

MP: Any further discussion? Motion carries unanimously.

**CONSIDERATION TO AUTHORIZE PROJECT WITH MOUNTAIN VIEW VETERINARY SERVICES**

LH: What you have in front of you is a request for water service for 20 Park Place. This is the old Bowling Alley. It is on for consideration to authorize the project. The escrow check has been received; however no action has been taken pending the Authorities decision this evening. They have provided a letter identifying some estimated usage which we certainly will need to verify against other veterinary type clinics on the system. However, this is a request to authorize the project and allow our staff as well as the engineering staff to begin to review.

DF: I make a motion that we authorize the project for Mountain View Veterinary services.

SB: Second.

MP: Any further discussion? Motion carries unanimously.

**CONSIDERATION TO AUTHORIZE PROJECT WITH EXETER PROPERTY GROUP, LLC.**

LH: This is consideration to authorize the project. We have received a request for availability of water capacity as well as confirmation of required EDU's in regards to the Exeter Group, LLC Warehouse. This is a warehouse facility that is to be located on the United Business Park project. The request is for a warehouse of approximately 1.2 million sq. feet with approximately 5000 sq. ft. of office with a total about 53 EDU's. The escrow check has not been received, and this is just consideration to authorize the project and I believe if you have any questions Mr. Bert is here on behalf of that particular project as well.

DF: I make a motion that we authorize the project for Exeter Property Group, LLC.

SB: Second.

Scott Bert: What this is like a lot of the big box warehouses that come through. Hopefully this will kick start the United Business Park and trying to get going. This is similar of what they do a lot of times, what they do is come in a look at 12 sites and narrow it down to two or three. They are on the short list and this is one thing to get their ducks in a line and to receive their capacity letter. You may see immediate design on it. They are still in the site preliminary and to get the confirmation on the EDU's for the site capacity.

LL: Have they provided any projected in the fire flow?

Scott Bert: We have not gotten anything in the way of that yet. We have not gotten anything on employees. The fire flow is based more on the building which is a little less than the P & G building but not by much.

DF: The motion is only to authorize the project and not to approve the EDU's at this time.

MP: Yes, that is my understanding.

LH: Yes and allow review by staff and engineering.

MP: It has been so moved by Mr. Fleagle and Mr. Brenize. Any further discussion? Motion carries unanimously.

**CONSIDERATION TO AUTHORIZE A 60 DAY EXTENSION TO MITROS RENTALS, LTD REGARDING PROPERTY AT 44 RICHARD AVE**

LH: There was an issue with a shut off relative to the Mitro's rentals properties at 42 and 44 Richard Ave. The attempt to shut off 42 Richard Ave it was discovered that those 2 properties were serviced by one service line. That then triggers the regulation to kick in that they need to be separated. Our foreman had prepared the standard letter and sent it off to Mitro's identifying a time period of March 1 to separate the service and install a new service to 44 Richard Ave. I received a call from Mr. Mitros last week requesting an extension to that due to weather conditions and extraneous circumstances not allowing him to comply with that current deadline.

So the request is for a 60 day extension and in my discussions with him I did identify that the time extension should be enough and we certainly will not entertain another extension request. This is something that the Authority does need to act upon and we certainly cannot do this on our own.

DF: I make a motion that we authorize the 60 day extension to Mitros Rentals regarding the property at 44 Richard Ave due to the weather condition and extenuating circumstances.

TP: Second.

MP: This extension will go through May 1, 2014 is that correct?

LH: That is correct, yet. If I may ask may I include in the letter that we will not entertain another extension request.

DF: Amendment to the motion and yes that is acceptable. I make an amendment that we do not extend this past the 60 days.

MP: Yes and that the communication to Mitro's Rental will acknowledge that. Any further discussion? Motion carries unanimously.

### **CONSIDERATION TO AUTHORIZE REQUEST FROM SHIPPENSBURG POST OFFICE REGARDING WATER AND SEWER BILLING**

LH: This may appear as an odd request and I am certain it is probably one that the Authority has not seen in the past, however. The situation with this is for several years we had provided the billing directly to the Post Office and the Post Master General here in town. That building has changed hands and at that changing of hands that triggered the regulations that identify that the billing must go to the property owner. It was grandfathered into those regulations and when it did change the new regulations did kick in and it must be billed to the building in the property owner. We received a couple phone call requests from our local Post Office requesting us to be able to send the bill directly to them and we identified that because of our codes and ordinance we cannot. It was asked whether or not a request from the property owner would do any good and I advised them if that request was made I would present it to the Authority for consideration and that is what you have in front of you.

MP: What other bills does the Borough send to the Post Office?

LH: It would be water, sewer, and trash.

MP: What if they were out of compliance and they needed the grass mowed or something like that? Where would the bill go?

LH: The bill would go as they do with other properties of this nature to the property owner.

MP: Do you acknowledge that Borough Council is going to address this issue relative to all the other bills that would go?

LH: They have not seen this. The request arrived after their meeting.

FM: Who is Nationwide Postal Management?

LH: That is the property owner.

DF: I think that we should wait until Borough Council acts on this issue before we move forward on it and see how they are going to handle it. Let's wait and see.

FM: If you look at this as a commercial property the way that they handle it, the bill goes to National Postal Management care of the US Post Office, 46 West King St. The Authority has been doing that with a lot of commercial users. The danger that you run into of giving the bill directly to the tenant as opposed to the owner is the owner is liable for the bill and it can become a lien on the property.

SB: Any agreement that the owner and the tenant make does change our regulations.

FM: But, for convenience has set the bill to the property care of the tenant but always recognizing that if the bill doesn't get paid the lien will go on the property and the owner can't say we didn't know they weren't paying it.

DF: Sounds like there may be a little fighting between them so let's make Council make that decision on that.

MP: Okay, let's be consistent. Let's put this item away and move to #10.

### UPDATE REGARDING THE HUCKLEBERRY GENERATOR RELOCATION PROJECT

FM: I sent a copy of the letter that you requested that you send to Mr. and Mrs. Ginnick I thought it would be in the packet. I sent them a letter saying that we were going to move forward with the project and as a courtesy if they had any questions. We did send them a copy of the plans too. If they had questions they could contact either Dan, myself or Lance. It is my understanding that they contact Lance at home? I think they talked to you Louis also?

LL: Kathy stopped me out at the site one day.

FM: As I understand there has been some discussions between Lance and Louis and maybe Geno I am not sure concerning the project. Not that they were saying the Authority didn't have the right to do the project but where there are some questions about if the project could be moved a little bit differently or something like that.

LH: Mr. Ginnick did stop in and talk to me. He brought up a few suggestions which is why this is on the agenda. He is certainly in favor of "his words" of a generator at the facility to be able to provide water service during emergency situation and power outages. His request would be for the generator to be placed inside of the building. He believes very adamantly and this is something that I may pose a question on, that the existing agreement for that easement with the Huckleberry Land Water Association did in fact require everything associated with that be placed inside the building. I can't verify or disregard that I was no able to find any trace of that agreement in our files.

DF: Has he produced the agreement?

LH: He has not either. It seems to me that it is probably an agreement that goes way back and well past any involvement that the Authority had with Huckleberry Land Water.

FM: Let me jump in here and just let you know the agreement goes back to actually 2001-2002 at the time and this was at or about the time that the Huckleberry Land system was being transferred to Authority. I have copies of the agreement here. I can tell you that there is nothing in the agreement that says everything has to be inside the building.

DF: Well, then let's move forward.

TP: There is no advantage to us to put it inside the building is there?

LL: It won't fit inside the building.

MP: Are you certain that there is nothing in that document that everything needs to be contained within that building?

FM: Yes, I am comfortable with that.

MP: Okay, thank you.

DF: Okay, Louis what did you have?

LL: The discussion that Ms. Ginnick had out there is that she asked if could move the generator from where it was proposed to be located to the other side of the building? Away from the house because she didn't want to look at it, her words. That wouldn't be a big issue for us however there is no easement over there so we would have to gain an easement. I explained that to her and she didn't seem upset about that or anything else. We would have to take down a tree but that would be our easement at that point in time and no big deal. She said she did

not want to look at the generator and she asked for me to provide some pictures which I gave to Lance and I don't know what happened after that. Lance can answer that. I did explain to Lance that we will probably need to square that easement off from the property and align it straight with the road. That would make the easement a lot cleaner. That is where I left it.

SB: The current easement we have has enough space to allow for us to put it not where she wants but where we proposed? So once again we are creating additional costs in getting another easement?

LL: I am sure that there would be some cost involved?

FM: This is the plan that Dan had done just to let you know that there are plans referenced in this. In the easements that are recorded there is a reference to a plan that was done but it says it is to be recorded but I checked everywhere with respect to it. It was also an easement granted at the same time for the line that goes out to South Mountain Estates Rd. This is a copy of it. This document is for this easement that comes up from SME road to the pumping station. Now, the description for the pumping station uses as one of its references point Robinson Rd. In this plan, it shows this pumping station on this site which is the subject of the other easement but it doesn't join Robinson Rd. I think if you are going to do anything you would need to get this easement cleaned up to the extent that you are right on Robinson Rd. Whatever you did you would probably want to square it up to that location.

SB: So, the simplest thing is just to put it where we know it is definitely part of our easement?

MP: Or, if there is additional cost involved ask them to pay for it all.

FM: Those are your two choices.

TP: Maybe they will pay for a vinyl fence and then put it behind a vinyl fence.

FM: So you have the letter and that is what triggered all of this and I checked it again and I am confident that there is nothing like that exists.

LH: If we go forward simply as per design, are there issues? In regards as an easement to electrical service to anything else? I know that we have kicked around easement and there has been discussion on the electrical service and my question is if we go forward simply as we are now are there any issues that we have to overcome?

DH: From an engineering stand point I do not see any issues we need to overcome at this point. Adams Electric with them relocating their service line they have agreed that we can leave the service line in place and pour the GENSET pad around the conduit. So, that problem has gone away.

FM: As far as the easement, again as I referenced in my letter I think this is an accessory use to pumping station and it is an essential use from the stand point of safety, health and welfare because suppose that there was a power outage for seven days there is no way to provide water for these people for seven days and I do not think that it is acceptable by the standards and welfare of the people.

SB: I think we do one more option, like had been brought up. We move forward with the plan because we do need to get that generator there. We give the property owners another letter and state that this is our current plan and if you would like to either grant us an additional easement to allow to be placed on the other side of the building or you would like pay for a fence to surround it we would be more than happy to accommodate. Give them the option that if they want a solution other than what our solution is. That is my thoughts.

DF: I like Steve's idea but I not into a letter at this time. I think that we need to; I wouldn't care if Lance you called him and said if you want to do it there will be engineering costs, solicitor costs and you will have to grant everything. Otherwise we are moving forward today with it. I

want to move forward and get it done; I think he will absorb all those costs. You will have to redo the plans to relocate the generator again.

DH: Shouldn't be too much on that end but there is going to be cost.

DF: Right and Forest is going to have costs if we grant the easement.

TP: I am sort of like the mirror of Denny. If we give them the option sure you can make a phone call and say, if you want to put a fence up or want us to put a fence up we will hide it and you won't have to look at it but the same thing it will just drag on next month and we will be sitting her doing that same thing and nothing will be done.

LL: I would like to touch on that fence issue. Give him the option of paying for it I don't want him installing it.

MP: Lance, what direction do you think you have from this conversation?

LH: I think that the direction is that I contact Mr. Ginnick and identify that there are two options or we can alter the plan, however they will incur the cost of potential additional engineering. All cost, yes.

MP: If they refuse on the phone and say no we don't want the cost, is our instruction then the next phone call to make this happen as it is designed right now?

LH: Okay, yes.

MP: Okay then. Let's get this thing done.

#### **CONSIDERATION TO APPROVE UPDATED DROUGHT CONTINGENCY PLAN**

LH: Here is the update on this. Louis brought this to my attention and identified that it had not been updated for a period of time and he took the initiative and went through did the update and I reviewed it and I see no issues. I think it is well done and puts us into compliance and right where we need to be as far as a drought contingency plan goes.

MP: Anybody have any questions concerning this drought contingency plan?

DF: I would make a motion that we approve the updated drought contingency plan as presented.

SB: I will second.

MP: Any further discussion?

SB: Just more like a point of question in Stage III. Just the additional source be activated, i.e. Dykeman. It is just that Stage III means that we will be working with DEP to speed up the process of allowing us to get a temporary water source on line?

LL: Well, actually we could bring Dykeman on line but it would take DEP approval and there would be some chlorine requirements because that source has been determined to be under surface influence and that is why it was taken off line. I don't know in the true term of a drought emergency what DEP would or would not allow. I would think that they probably would but you would have to do some modifications. That is the only other option right now for an additional source of water if we needed it.

MP: It has been moved and second, any further discussion?

FM: This plan needs to be approved by the outlying service area municipalities so we want make sure it gets communicated to them that it has been approved. It is recommended that they do it. Since there is such a big area that the Authority serves it is important that they are on board with the plan.

MP: They need to know that there is a plan if needed. Okay, so we have a motion and a second. Motion carries unanimously. Lance, you will have to send that to the surrounding and appropriate communities so they can communicate to their consistency and keep it on file in case there would be a drought emergency and notify people.

## DISCUSSION RELATIVE TO NEW WATER SOURCE

LH: I have placed that one on the agenda and I know doing my research coming in that there had been prior discussions on a new source, development of a new source there is certainly money in the Capital Budget set aside for that so I placed it on the agenda knowing that it is a very lengthy process. Studies, test bores and things that need to be done and it seems as though the goal of the Authority is to achieve at least a large part of that up front work at least this year. That means that we would need to discuss that and take whatever steps necessary to move forward.

MP: Do we have a recommended path to proceed?

LH: I know in the past there had been several areas that had been looked at and a few wells that had been potentially identified. One was favored but has fallen through due to land constraints and other issues. I know there was also the thought of investigation for a well near and in the area of the treatment plant. The thought there was a supplement to the plant possibly to help it perform better but possibly as a means to start towards the replacement of the plant at some point in time. There had been a couple of avenues that had been looked at in the past. I wanted to place it back in front of the Authority for discussion to see if we had another direction or wanted to continue on a certain direction so that we can continue steps forward and progress.

SB: Right now where are we at with the total amount of capacity available that is not currently spoken for?

LH: At this time I will err to Louis on the numbers. I know that there are some concerns about the longevity of the treatment plant and based on my research I know that there has been some discussions on the potential of well sources taking the place of that treatment plant. Now at this point in time I think that treatment plant is 600 to 800 GPM and up to 1000 GPM, does that sound right Louis? That is capability wise.

LL: The plant is capable and we could go to 1.6 if we had to and it will run at 1.3 and it runs fine at 1. As far as numbers it has been a long time since I looked at the specific numbers. I do know that we have to consider our production capability with our largest source off line. That would be well #3 and that is 2.1 million GPD so with that off line we are right around 3 million per day?

DH: We did a calculation on this which took into account EDU's we have granted and we can update that and bring that to the board.

SB: I am not really looking for exact I am just looking for; if a large employer comes to United and they are actually an employer and they might be making ketchup and they need the amount of water maybe Schreiber is using on a daily basis. Do we have the amount of water capacity available?

DH: Yes, there are several hundred EDU's available what exactly that number is I can't say off hand.

LL: I would say that in that particular case Steve it would be conditional on an additional source. Just because of the way that the system operates. I could probably support that on the interim but I wouldn't have anything if anybody wanted to go to Exit 29.

SB: So really what we should be doing is looking for #1 a source of water to get on line ASAP and #2 another source of water to have as a plan in the case a major developer would come along and say here is water this is what is happening.

LL: Yes, those are the two avenues.

MP: This is a conversation that is really important to us as the SBA and we all have been sitting around the table a while and have gone through many hours of education so let's extend that

education and offer that to you. I would be happy to meet with you, Lance and Louis and we can go through the whole thing to help you come up to speed. I think it is very important that you be up to speed if you want to be. First of all we like your additional thoughts but very important to know what has already been transpired.

LL: Were you in all that stuff Troy or not?

TP: Some of it. Wasn't it your email that comes through about punching a well at the treatment plant?

LL: To go along with that I had asked Dr. Feeney at the University to look into the possibility of getting a well out there of some quantity.

MP: All we are asking is for management to go forward and take the next step so that we can be moving toward having another potential water source.

LH: My concern is that it is a very lengthy process.

MP: Do you need any more specific instruction other than simply to go forward?

LH: I think that the only question that I would have is would the direction to move forward be centered around the plant or would we open it back up to some of those areas that we prior looked at?

MP: All of the above but I think the last time that we have this body together and we needed direction, the plant is what I thought was the consensus of where we wanted to go first. It made a lot of sense and gives us a lot of options to increase the flow at the plant or to take the plant off line. It allows both of those options with one well, so that I thought was the thinking of the body to let's go there first. Anyone have a different thought?

DF: Louis had explained to us that we are going to either spend several million I think it was on the plant upgrading it with new filters in the future or we are going to move forward with trying to do something with the wells. We need to do something.

LL: You have to understand that the filters out there even though they have been rehabbed 10 years ago they still have a finite life span. The plant is 22 years old now. I don't know that life span but I do know that in ready articles and journals things like 20 to 25 years the plants go through rehabs. We are in that time period. A well, if we could find a well out there even 200 GPM would allow us to increase production and make it run more efficiently. You are probably going to spend 1 million on the well.

SB: You can't get water from the Franklin County General Authority?

DF: But it is not good water?

MP: You can to a limit and then people would be on that and it would be real expensive and we are also tied in to it and it calls for us to pay up to 27%?

SB: Is that based on their claim that they own that reservoir even though there has never been anything in the state that has said that they own it?

MP: It is my understanding that it is in the league of agreements and that is all I can say.

DF: Is that area on the Susquehanna River Basin or not.

DH: It is.

DF: It will be a little more difficult to put a well on line but I don't see it being impossible.

MP: The allocations may have to shift? So we have an allocation to get water from the Letterkenny reservoir but perhaps that allocation could be shifted to our well?

DF: I am not sure that; we just have an agreement with Letterkenny for that water.

MP: I thought that the Susquehanna River Basin had to agree to that allocation?

DH: They might have reviewed that because they will look at your total allocation so that will come into play. Denny when we first started looking at wells one to two years ago we did meet with the SRBC at the time they supported what we were going for as far as a new well. As long

as we could justify the numbers the increased capacity is what we were trying to do. They liked that the SBA was planning ahead rather than trying to react to expansion. I think that we can clear that hurdle.

DF: Really we are trying to replace right now. I understand what you are saying. I would like to move forward with the wells out there. We just keep dragging it on and on. Whether or not it is a viable source I don't know that. We won't know until we do something.

LL: You have to have a study first.

LH: We do need to do a study that will identify what the sites potentially are and discuss those sites and determine what may be the best.

DH: We had done a study similar to what Lance was describing in Area 51 as we were calling it. We could do another more detailed study out there.

FM: Somewhere in the files there already, at least there should be some sort of a preliminary study that was done by Muser Engineering out of State College. This would have been about 20 years or about the time that the first well started to be drilled. They were brought down here by Funk, the well driller he knew them and they looked at the Gunter Valley area as a potential well site. They did some sort of a report or study that should be around here somewhere.

TP: We never got any hydro reports from Southern Cumberland?

FM: Huckleberry did drill a well 800' feet and didn't get any kind of water source.

MP: So Lance are you clear on what you have been asked to do?

LH: Yes.

MP: Does that include our discussion relative on a particular water source? If so, then let's move on.

## REPORTS

### ENGINEER

DH: I think that we covered most of the items in my report. #1. The Timber Hill Storage Tank I think I will defer to Lance on that one as far as an update on any discussions. I would just want to let you know that we haven't went forward with any calculations or anything at this point. Would you like to address that now or under the manager's report? Deerfield would be under the solicitors report.

DF: Did you tell Peter Merlo how much it was going to cost for those tapping fees?

DH: The reason that he called me was that he actually forwarded me the email that Lance Bryson from the University forwarded one of my emails saying that if you are requesting 40,000 per day this is approximately what you tapping fee is going to be. I think it was \$500,000.00 or something in that range. I think in January Lance forwarded that email to Peter Merlow from DGS saying we need a check for this amount. Peter had called me to see if there was an official response to this request and that is where I explained to him we haven't heard anything since October. That is the only real request that I have considered and we have been waiting to hear back from them. When they came to the meeting tonight I was not expecting to get into any details and I haven't heard anything for months.

LH: I have talked to Mr. Weidner of Gannett/Fleming and I had told him that the only official correspondence that the SBA had seen was the 40,000 GPD and we certainly can put it on the agenda for discussion. The consideration of anything else seemed to be a bit of a debate which is why it was presented to the Authority the way it was. As you pointed out Denny their one to run through calculations and then back out certain calculations.

DH: I felt that maybe we were retreading old ground.

LL: For your information 40,000 gallons comes to \$543,753.00.

DF: I can't believe that they want to add that into the project cost from DGS for this chiller?

DH: On the second page. I want to give you an update on those. Louis is coming to the Lancaster office and the updates of the GIS mapping right there and go over the consumer confidence report and the SOC waivers so that the staff can do those in the future and then we will have our kick off for the permanganate project at that time also.

DF: These are the 13 projects that you are working on?

DH: Yes, like Liberty Warehouse we haven't done work at this point but these are ones that are active or semi-active at least.

MP: Okay, thank you.

### **SOLICITOR**

Forest Myers: You have a written report but there is a couple of updates to that. First I did receive all the documentation to prepare the easements for Deerfield so now we can move that project forward and get those lines dedicated and the easements stated. I will tell you that some of the easements are not in public right of way. The roads were never dedicated to the township or accepted and I am not sure whether they were not dedicated or whether they were and not accepted. They have provided all the easements we need for the project out there to close it out so we will have that back here probably next month for your approval after I do the deeds and then they sign them. One other thing that Dan's report brought to my mind is months ago I was contacted by Liberty Warehouse or the people who are developing the P & G as to whether or not we needed an easement. We need to give an easement to the electric company over our water line easement and lady I spoke to said she would get me all the drafts so that we can prepare it for your review. I have never heard back from her. I don't know if they found another way or not.

LL: They will still have to run overhead unless they are coming in Scotland Rd.

FM: I just wanted to let you know in case you hear something about it because I haven't.

DF: The developer's agreement?

FM: I told them they had wanted it last week for approval at this meeting. I said, that is really not the way it works. First of all, we have to get the agreement and I guess there is a project now on that water main extension for CVRDC Phase II. So I can do the agreement and then they can approve it and then you have to approve it and they may have to post their bond. I think it may be a couple 100 thousand dollars.

Scott Bert: We are just waiting on the review back.

FM: So whenever that comes through we will get the agreement ready and pass it on to the attorney for CVRDC.

MP: I have no further questions.

### **WATER FOREMAN**

Louis Larson: You have my report attached in the packet. I do want to comment on #5, the repair of the Orrstown Tank. They were out and repaired it last week and they requested that I wait until Friday to fill the water above it to allow the sealant to set. Friday afternoon I started to fill the tank up I went out Monday morning and it is leaking again and I called them and they are supposed to be back out.

DF: Where is the leak at this time? It is not on the ladder is it?

LL: Yes it is.

MP: Same place?

LL: It is the repair, the sealant didn't set. They assured me that as soon as their crew is freed up that they would be over.

DF: Is it a repair on the inside of the tank?

LL: No, it was on the outside. There is a possibility that we may need to take the tank off line and they may have to get inside and do what I would consider the appropriate repair but I am not a tank person so I really don't know. It will not have an impact on any of our customers. That would require notification to the local fire department because it would be a temporary restriction in fire flow while the tank is out of service. In this weather I could foresee the tank being down for at least a week to a week and half or maybe even two weeks to allow the stuff to set up. I went on their recommendations.

DF; Louis, how are we doing with the alarms?

LL: We have not had any alarms at Well #3 on the chlorination system. This is very cool weather and it is keeping everything cool out there.

DF: Did you send them a letter yet about the parts?

FM: No, I have to get with Louis on that.

LL: I am kind of holding off on that Denny not to drag my feet. My concern is that there might be something else that goes wrong with it.

MP: Any questions for Louis?

### MANAGER

Lance Hoover: We have covered essentially everything there is but there is one item that we have not discussed and it does relate to the Timber Hill water storage tank project. We have prepared and provided to Schreiber what would be the final invoice for the project. They have responded with a question on the calculation of that invoice. What it comes down to is the cost of the additional 1 million gallons of storage within that tank. Upon reviewing the agreement it was identified that the cost to Schreiber was to be \$290,000.00 for an increase from a 2 million to a 3 million gallon water storage tank. The invoice was prepared to go to them and submitted to Schreiber in that fashion and Schreiber's response is that they view the terminology of the agreement to say that they are only responsible for 70% of that \$290,000.00 and their statement is that Items #1 and #2 of the agreement which are the costs and then Item #2 is the cost of the additional 1 million gallons is then precluded by a statement below that says their cost shall be 70% of what is identified as water system upgrades. As it stands we have provided the invoice based on \$290,000.00 and they have responded to us through a series of emails, so at this point in time the invoice is not paid and there are identifying a problem with how it has been calculated. I simply identify to them that I would pass along their concerns to the SBA however I do fully believe that they will only pay the 70% or not make payment at all.

SB: So they are saying that they only owe,

MP: You have read the document?

LH: Yes, I will speak on behalf of someone just coming in and reading the agreement. It is a little on the gray side. It does identify water system upgrades and the cost as such. The paragraph below it does identify their responsibility as 70% of the water system upgrades. I do not know the intent of the agreement. I wasn't around at that point in time. Dan can probably speak maybe a little better as to what the intent of the agreement was. I know Salzmann Hughes prepared that. I have not spoken to them at this point in time. That is where we are.

DH: My recollection for the intent was for the full \$290,000.00. That was a separate agreed upon amount. The \$290,000.00 was based on the budgetary cost from the Engineers Report when we looked at the different tank options. That number was settled on and that avoided any

kind of having to look at the actual cost of the tank and then trying to compare it to a 2 million gallon tank, which we were never going to build so it was going to be an actual cost compared to an estimated cost anyway and during negotiations it seemed like a fair agreement that they would pick up the cost difference between the 2 and the 3 million. It was my recollection that it was for the full \$290,000.00.

SB: So, somewhere that might be hiding in the contract?

DH: I don't know. I see what Lance is saying that after 2 years I am reading the agreement where there could be or misconstrued. I don't see any catch all phrases.

MP: I think some more learned in this matter than I would have to review this. Paragraph #2 kind of goes on and explains how this is supposed to shake out. Let's go back to Salzmann Hughes and see how this is supposed to work out?

DF: I think we just let our solicitor look at and see what his thoughts are?

MP: You think that would be better than having the folks who wrote the agreement?

DF: Yes. I do. I think if Forest deems it, then it is what it is.

SB: I sort of think that maybe at least put in a call to Salzmann Hughes because they wrote it. They would remember what it was because they wrote it. They might know where it says all the cost is covered by Schreiber. Just my thoughts.

MP: I am inclined to go back to the Author at no expense. They need to clarify for us where we stand and what the correct number is.

FM: I would suggest if you are going to ask them to do it at no expense that you make it clear right up front that it is your expectation.

LH: It will be presented as such.

MP: Anything else to report?

LH: No.

MP: Okay, any other business?

DF: So moved that we adjourn

TP: Second.

MP: Meeting adjourned.... 8:47 p.m.

  
Secretary