Shippensburg Borough Authority Minutes
August 12, 2014
7:00 pm

Meeting to Order: 7:00 pm

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

Geno Torri: Meeting called to order 7:00 p.m. August 12, 2014.

PUBLIC COMMENT

Geno Torri: Are there any public comments? None, then that takes us to Item #1.

CONSIDERATION TO APPROVE THE MINUTES FROM JULY 8, 2014

MP: I make the motion to approve the minutes from July 8, 2014.
SB: Second
GT: Any discussion?
DF: Page 9 needs corrected.
GT: Any other discussion? Motion carries, thank you.

DISCUSSION REGARDING 444 NORTH EARL STREET

June Armstrong: 444 N Earl St.
GT: We do not have a copy of your request here so what is that that you are requesting?
June Armstrong: This letter reads that the leak is somewhere between the curb stop and the main. The curb stop is the road, right?
TP: The curb stop would be the box or it should be real close to the curb line and between the curb and the sidewalk.
June Armstrong: I don't have a sidewalk.
TP: Should be a round pipe there.
June Armstrong: That is like a car length from the road in my driveway.
TP: Yes, that would be the curb stop so it is between there and where it taps off of the main?
June Armstrong: Ok. I was there when they did the so –called test. They used a stick. They could barely hear anything so how or why is it my problem to fix?
TP: Anything after the main is now yours.
FM: The rules and regulations…
June Armstrong: I am allowed to use that driveway and my neighbors use that driveway. I do not own that property so…..
FM: You mean you do not own 444?
June Armstrong: I own 444 N Earl St
FM: But you don't own the property where the water line crosses.
June Armstrong: Right, the driveway. I don't own it I share it.
FM: That is not relevant from our rules and regulations indicate that your service…

June Armstrong: Yes, but why from the curb stop I have to fix anything in-between from the main? Why is that?
FM: Because we have rules and regulations that specifies.
June Armstrong: So, why is that?
FM: Because it was determined many, many years ago that the responsibility for maintaining your service line which is the line between the water main and your house that is what provides you water service to your home it was determined that the maintenance of that water service line is the responsibility of the property owner. It has been that way in the borough since the water authority was created and it has been that way outside the borough corporate limits since 1988 when this authority became an operating authority.
June Armstrong: I have been there since 1986.
FM: It is not relevant when the water service line was installed, the regulation was put in place in 1988 and it has been enforced since then just the way they are asking you to do now. It has nothing to do with..... We have water lines outside the borough that was put in the 1930's. It is not the time that the water service line was put in is not relevant the issue is who is responsible for the maintenance of the service line and the service line being defined as the line from the main where it is connected to the house. This authority's rules and regulations indicate and provide that the property owner is responsible for that. The fact that you have a water line that traverses over someone else's property also isn't relevant. It may become relevant when you begin to dig up that person's property to fix the service line but again the regulation and the maintenance of the line the responsibility is the property owner.
June Armstrong: I still do not understand why? You take care of the meter, right?
FM: That is correct.
June Armstrong: You should take care of everything between that and the main. I don't understand why you don't.
SB: If we did that then the rates would be 10-15% more a quarter. If we took care of everybody's lines. We had a person here last month and there are leaks all around. If you see a patch in the street that is generally because somebody's line broke.
FM: I would also tell you this; your argument has been made before and I think anyone on here being a member debated it on numerous occasions and resolved to continue the situation as it is now because it becomes very difficult to say okay.. here or there. It is a very definite situation, you tap the main and the line runs to the house and that is about as clear as you can get it.
TP: It really doesn't matter if it leaks under the street or right next to your house it is still your line.
June Armstrong: Between the meter and my house, which is a pretty big area but between the meter and the main it is maybe a car length.
MP: We are all sympathetic, we all have house and we all pay in to the same system and we are all subject to the same risk of our water lines breaking. The only thing that I can recommend to folks is that there is a very inexpensive insurance policy and I know that it doesn't help you in this case but it also covers your waste water line. You can get really good coverage should you have a service line break. Lance can make sure you get a copy of that so if you wish to protect yourself in the future you can. These letters go out to every home.
June Armstrong: It is not helping me right now.
MP: I know it doesn't and I know it is very disturbing and all we can do is sympathize with you and we really can't go changing this policy. It would create tremendous uproar and we can't make exceptions.
GT: We can give you an extension. We can determine that. We can give you 30 or 60 days, I would have no problem with either of those two numbers. Beyond that you are getting into winter.

SB: I move to grant a 60 day extension Rae and J Armstrong.
TP: Second.
GT: Any other discussion? Motion carries. We are all sympathetic with your situation and it does come as a surprise to most people that they didn't realize that the line is their responsibility. I'm sorry.

CONSIDERATION TO APPROVE WATER FORGIVENESS REQUEST FOR RUTH AND HARRY ALLEN

GT: This is Ruth and Harry Allen. This is another leak situation.
LH: Yes, the situation in this particular case is that there was a leak that developed somewhere after a reading and was not discovered until the next reading. The total usage was 336,000 gallons. One of the things that was a bit different with this is the leak never really did surface. My estimation is that there is a great possibility that it got into the sewer line or something that allowed that water to get away. It was water lines. They did have to replace water lines. The total amount of the bill was $1655.10 going through our formula that is currently in place the total eligible for forgiveness would be $1522.95. It would reduce their bill to $132.15. In checking the forms and the criteria they do meet the eligibility requirements so that part has been checked and verified.
FM: Is this one of those really long service lines?
LH: I believe that it is because they actually replaced 150' of line. I do not believe it was the entire service line.
GT: Okay, so it does fit within our guidelines and forgiveness. This has been fixed, is that correct? By the owner?
LH: Yes, that is correct. By the owner.
DF: I make a motion to approve the forgiveness request for Ruth and Harry Allen.
SB: Second.
GT: Any discussion? Motion carries.
Just a follow up to this I would ask that management to review other policies that relate to this type of thing. Three times the normal bill? I guess under a leak of a month or week or something that is not bad but over ¼ million gallons is a substantial leak.
SB: I know this one is during the quarter.
LH: This was actually found during the meter reading time. Our staff caught it and it is a true reading.
GT: Do we have anything in the policy and that is where the determination is made.
LH: I don't think that the policy addresses that so they couldn't let it ride. We would send a letter and identify that there is a leak and they have a time to specify that they have to fix a leak.
SB: I will pay this now but then ask for forgiveness later?
LH: No, I believe it will be for the quarterly billing cycle. They would only have the opportunity for one of the billing cycle.
GT: We can talk about this later when you come to us with other policy changes.
DF: When you think about it Geno you just approved a 60 day extension and you don't know how much water she is losing. You don't know it because it is not going through the meter.
GT: Good point.

CONSIDERATION TO APPROVE PROJECT FOR AROOGAS FIRE SERVICE

GT: We don't have a project request and according to our manager they would like to withdraw that.

LH: I would like to request the Authorities approval to withdraw item #4. The backstory to that is our water foreman received a call from the Arooga's engineer identifying and requesting some data regarding fire flows and flow capacities and we responded to them and let them know that they needed to have a project with the authority prior to any of that information being given out or timing being expended. We did not hear anything until today when I received a call as did Louis identifying that they are not going to be installing a sprinkler system so there is no data regarding the water and or fire protection is required. Now, that is slightly odd to me so I did make a few calls to make sure that the code and the requirements are being met but as far as the authority is concerned that request has been withdrawn.

CONSIDERATION TO APPROVE WATER SERVICE FOR BIG DOG INVESTMENTS

GT: They are requesting 3 EDU's.
LH: Correct. AT the last meeting we did approve the project for this and in doing so they have forwarded their request for 3 EDU's. They are going to be building a building expansion of 3,250 sq. ft. which is what triggers the EDU count. Now the question up for consideration is the rules and regs actually identify that it is 1 EDU for each 1000 sq. ft.
SB: So technically it should be 4?
LH: I am not sure how it has been handled in the past and I don't know but since I have been with the Borough that this has come up.
FM: It has always been rounded up.
LH: It has always been office space.
TP: How do you know what they are putting in the building?
LH: It is office space so it will be a conference room with 1 rest room and a fountain.
SB: Let's say the rest of the building is 8500 I don't know if that is the size and it might be or might not be. If it is 8500 and they paid for 9000 then I have no problem 3 EDU's.
LH: I did look at the original one and it was rounded up. So that would hold true. It was based on the rest rooms and the square footage and other things. It was rounded up.
DF: If you took what they have existing plus this does it equal the need to be 3 or 4 because of what you are saying.
LH: If you took the existing plus this it is slightly more than 3 EDU's.
DF: But, they already have an EDU?
LH: Not quite, they have paid for an equivalent of just about ½ EDU on the first round because it was rounded up.
SB: What you are saying is that if you take the total size with the EDU's that they already had plus 3 they are still a little bit over.
LH: Correct.
DF: Dan, what is your thought.
DH: We have always rounded up, that has always been the policy since I have gotten here.
FM: We have always done it and I think you might be making a dangerous decision.
SB: If what they owe us if 4 then they pay for 4.
DF: We have to deny this request.
LH: You could approve it as a 4. They are requesting 3 and we could go back and say based on the current rules and regulations you are approved however it is 4 EDU's.
SB: So moved.
TP: Second.
GT: To approve an EDU requested for Big Dog Investments but based on the square footage our policy we are approving 4 EDU's and not the requested 3. Any other discussion? Motion carries.

DISCUSSION REGARDING PROJECT STARLING FOR THE UNITED BUSINESS PARK

LH: This is where it actually stands now and an update. We were given a request for service for what seems to be a rather substantial project at Exit 24 on the United Business Park. We were asked if we could provide between 750 and 1 million GPD of water. Now in doing so we ended up responded that at this point in time we can't provide that amount of water however with the completion of a few projects that volume of water could be available. We identified in general terms that it would require the connection to the Business Park under I81 to the 3 million gallon tank and it would require the development of a new source and it could potentially in addition require some upgrades to one of our existing sources. We wanted to lay out what we felt would be the components required to provide that type of a range. The difference between the 750 GPD and the million GPD is substantial so that number would be fine-tuned if this project does decide to move forward. The other thing to keep in mind is the magnitude of not only the tapping fees but the quarterly rates.

SB: What would the tapping fees be on this?

LH: Depending on the actual request it would be somewhere between 9 and 14 million dollars. Then the quarterly using rates are going to be in the 100's of thousands of dollars. We don't know what it is. Some are speculating. Based on the numbers that we have it will be a large user. We have also been informed that it is down to this particular location and one in West Virginia. I am also aware that this project has gone to the Governor's council and it is in the house and senate and as far as Pennsylvania goes it would be a huge boost.

SB: Is it also correct that it would be all the land and no other developers.

LH: I believe it is the entire Business Park and more.

FM: I guess at this point nobody has had any discussion that would pay for the infrastructure upgrade?

LH: No, they are in the information collecting mode. The one thing that they did ask in our end is the time frames. I did express to them that the longest time would be a new source and that could go 20 to 24 months. If they were desiring this as the location the sooner that they can make their decisions and provide information the better. That will only help us to put things into motion.
I don't know how any of the other utilities responded. We have laid out the 2 to 3 things that would be required.

SB: So we said, we can accomplish what you want to accomplish we will have to sit down and talk to you about it.

LH: Discussion and talks.

UPDATE REGARDING THE AGREEMENT WITH SOUTHERN CUMBERLAND WATER ASSOCIATION

LH: From our last meeting the water association was provided the agreement and I know that Geno has spoke with Mr. Fink as well as myself and explained to him what the main changes or the main concepts were of the agreement. Largely the $20,000 escrow and we didn't hear anything for quite a while and we reached out to Mr. Fink multiple times and last Tuesday I did receive an email from Mr. Fink with a handful of questions which I responded to them that day. I think it was some clarification on how that escrow would actually work. I think he envisioned them setting up their own account and I explained that they provide the funds and we set up the escrow and then the draws are made from there. They will get records of the withdraw so there is no question. One thing that does come up is that he is working to secure all the data that we are requesting and I don't know if he anticipated getting that request. He does continue to identify issues and time to

work out issues with the Indian Springs Mobile Home Park. I know that is one thing that was discussed with us at the last meeting.
DF: Lance you said $20,000.00 and it is $25,000.00.
GT: Yes, but he is saying they could do $20,000.00. We are still waiting for the information so I think once that we get it we will review it but before we make any decisions we have to get the status of the mobile home park and then I would also envision having a meeting with the owner so that everything is clear on that end. He is supposed to be setting something up for us for September.
FM: We need to have some lead time on that also.
GT: Yes, absolutely. Okay, thank you.
DF: Mr. Fink in your discussion both want to move forward, right?
LH: Oh, yes I think he very much wants to move forward. I expect it seeing as he is a one man show it will take a little longer to compile the things that are required.

UPDATE REGARDING SHIPPENSBURG UNIVERSITY CHILLER PROJECT DRAFT AGREEMENT

GT: Chiller update.
LH: Yes, about 6:00 pm tonight we received some comments to the agreement that was provided. It is certainly up to yourselves, I think generally speaking it seems to make sure the changes....
FM: Is that normally what is done?
LH: Number 3, I think it says the same thing but it is completely re-worded. Again, I am going to preface this that it is not necessarily fair to give it to you at this meeting.
DF: I will not be at the next meeting so I will make a comment. #1, now that they put the Department of General Services in is the whereas, one page 2 this is a Commonwealth Capital funded project I will definitely not entertain anything except they pay their tapping fees for the 40,000 EDU's. This is ridiculous. They are now adding to that. It is not the University's project anymore it is a DGS Capital funded legislatively approved project. That is what it is and that is what Pete Marlow told me. It is not the University's project it is a DGS project. You are dealing with DGS now.
FM: Yes, that would be who the bill gets through.
SB: So, you think that the state....
DF: No, I don't think that the state is I think that the University is because it is a Capital funded project.
GT: Did we discuss this in open session last time, right?
LH: It was an open session but you are allowed to go to Executive session.
DF: You are doing two things here and if you do not want me to talk now I will wait.
You are talking about EDU's for the University but you are getting it paid for by the Capital project of the Commonwealth. Then they want it if it is under-estimated to pay the University back.
FM: No, that is not true.
SB: They want it to be credited.
FM: It is money that they won't have to pay. You don't have to pay them back but....
Money on a future project and you discussed that at length. I thought that you made it pretty darn clear that it wasn't going to happen. I would recommend that you do not do that request because that would open up an opportunity to anyone.
GT: Denny, you understand this concept of a DGS Capital project far better than others. Clarify for me.

DF: A Capital project is legislatively approved for different uses for anything but normally it is for facilities whether it is corrections, higher Ed, welfare, whatever. It is money that the University does not pay anything into that. It is funded. So, in my experience if you are doing something that is a Capital project it doesn't involve anything with the facilities unless I want to add to that scope as a Capital project then you have to pay additional dollars because it has already been legislatively approved and they don't change that.
FM: So, technically this agreement should be between DGS and us and not the University.
GT: Why were we talking with SU engineering staff other than them coming and stating what the project was? We should not have even discussed the concept of cost for the EDU's at all.
DF: See, they went back to DGS and was asking him, Marlow for the money to fund it. He said well you never put that in your scope that you will have to pay all of this.
FM: Would it be accurate to say that they are now somehow going to add a line item to pay this or whatever.
DF: It says, you are going to prepare an invoice for a DGS contractor. DGS is building this and not the University so you better be sure that the DGS contractor is going to pay you for it.
MP: Right, so shouldn't we be negotiating with whoever that is and not SU? If so, then this document is no longer relevant. We are talking to an entirely different person.
DF: They are the ones that changed it.
FM: They should have left us know.
LH: The question that I have is that the University is the customer and that is where the billing goes.
DF: The University has nothing to do with the funding for this project. They don't put a penny up for it or they do not get a penny if it would come under budget.
LH: Can we provide EDU's to someone who is not going to be the customer for those EDU's?
DF: Well, they are going to be the customer because they built buildings there before. DGS has built half of those buildings and SU has built the other half.
SB: With the exception that was built by the foundation.
LH: I completely understand but....
FM: We are allocating EDU's to the University but we are really dealing with DGS which has no obligation beyond building a project and paying for it.
MP: So, what happens to the project once it is built? Do they then give it to the University?
DF: Yes, it is turned over to the university.
MP: Then do they become responsible?
DF: Yes, maintenance, everything.
GT: So. The EDU's transfer to the University?
SB: So, we need to go a little bit of a different route with the EDU's because it would be more like in the future any projects but right now it says SU projects. If it is a foundation they don't have to come to us and if it is a DGS project they do not have to come to us according to this document right now.
FM: No, the foundation is separate.
SB: Right, but they could still build something on there and then hook it on to SU? Anything EDU wise should be based on the usage of the University. So five years from now DGS builds another building we are going to be right back here again trying to hammer out what they need to pay for EDU's and this document will not cover this because it is not a University project it is a DGS project and it says right here any future University projects they will have to pay for.
DF: Yes, but it says Shippensburg University shall recommend to DGS that the sum be approved for payment. You are not even guaranteed to get the money.

MP: They are just recommending and they are not stating or saying that DGS will pay it.
FM: I think that this agreement needs to be with the people who are actually doing the project and not the University. We are sitting here speculating what is going to happen and Steve is correct is says recommend and what happens if DGS just simply says, no you didn't put it in the budget and we are not paying it.
MP: We didn't agree to that.
DF: Well, Pete Marlow has already told me that. We didn't put any money in for EDU's there.
SB: Right with DGS being involved then 6 just completely; I mean the University agrees that it will provide the authority prior to commencing construction of new structures. How long has it been since the University themselves has built anything on the property.
DF: They do build their own buildings.
SB: The housing is all the foundation.
DF: When the Cub was being built they were building a building too at the same time.
SB: Okay.
FM: The students built the fitness center and all the housing.
DF: I will tell you that all my experience with Capital Projects and I have done millions of dollars' worth the facilities have never paid a penny to the townships and it always came right from DGS. The permits, the land use, everything because it is their project.
FM: How does that work? From your standpoint you never had any contact from the DGS it has always been someone from the SU or a representative.
DF: No, it is always the contractor.
FM: Okay, but nobody ever came and said a head of time are there any tapping fees until about 9 months ago.
DF: Right, because they just went ahead and built them a lot of times.
FM: I know but on this project they have come and paid tapping fees on that new fitness center they built.
LH: They have all come from the University or at least their representative.
DF: They are putting in this agreement that it is a DGS Capital funded and they will recommend payment.
FM: You are telling the authority that someone you know personally has told you that they won't pay it.
DF: The professional said that he didn't know anything about this.
FM: And basically we won't pay it.
DF: He is a DGS professional.
MP: So in your experience what would happen in this case? They are out there digging in the ground and we have not given them any EDU's and if we say at this point no?
DF: I actually think it is the University's problem at this point because they have been made aware and they went to DGS and didn't follow up much with them and here we are now and they are putting it back on DGS.
GT: Based on what they returned to us it would be recommended that we send the University a letter indicating that this is really a DGS project and here is your tapping fee that we will forward onto DGS?
DF: I would say, they have hired a construction person.
FM: Are they actually constructing something?
SB: They got approval from the township.
DF: We should tell the township that there is no water allotted for this.
FM: Isn't it a risk for them to go forward with no assurance that there is going to be water?

DF: What are you going to do, turn the water off to the University?
FM: Well, not turn it off to the University but the authority may decide that they are not going to supply the water to run the chiller.
DH: We can't practically do that.
FM: It is a mess only because when I wrote the agreement I didn't have all the facts.
SB: They have already broken ground and they don't have the EDU's set aside, so we could give them the opportunity to buy the EDU's now or make it a graduated thing where they could pay for 53 or they can pay for the 40,000.
GT: Is that still an accurate number Dan?
DH: 40,000 is the original number that they have us for a peak demand for the chiller. That was the only real engineering number that didn't account for we are going to subtract this out because we are not using this.... So that is what the chiller is using.
GT: Do you still see that as an accurate peak number?
DH: From what I am seeing, yes.
GF: The chiller hasn't changed only the frequency of other buildings.
DH: What this chiller project is using is 40,000 GPD.
DF: If it is a 30 million dollar project they would have to have a 5% contingency. We had said that the tapping fee is around ½ million dollars, correct? They have 1 ½ million dollars on contingency on that project right now that they can spend on this or maybe 3 million depending on a 5 or 10% contingency.
SB: What happens if they do not use that?
DF: It goes back to the legislature.
GT: I am sort of thinking that based on the information provided on their changes that we now understand the nature of the authority in charge of the construction and using their peak numbers here is your bill and then return it to them. If they want to yell and scream because trying to decipher through this given their changes.
DF: If we would sign this we never get our money.
GT: I am saying that we send them a letter based on the new information provided, here is your bill and leave it at that.
FM: You do not even need an agreement.
GT: No, no agreement.
SB: Just send the bill.
FM: Actually send it to DGS and tell them no water until they pay their tapping fees.
DH: I was contacted by Pete Marlow on this. The University had forwarded the email that I sent to Lance saying this is what your tapping fee is estimated to be and they sent it to him asking for a check for that tapping fee. He called me to say what is this all about and I explained it to him.
SB: We already tried the route of sending it to the University and letting them get from DGS?
DF: No.
DH: I think the University made them aware that they have his charge out there and I do not know what the conversation was.
GT: I would suggest that we put together a new letter based on the new information and based on the chiller peak use.
DH: Based on your engineers calculations. It was their engineer calculations.
GT: Dan, why don't you work with Lance on that and get that punched out and they will be back next month.
SB: How many EDU's is that going to be?
DF: When is the completion supposed to be finished?

DH: I don't know off hand Denny. Somewhere, I think 2016.
FM: I would make the invoice to DGS and reference the Shippensburg Chiller Project. If they are the ones that are building it they have control of the money.
DF: DGS pays all the bills and the University will not pay one cent.
SB: Should we even attach the University in the letter that we send or should we go straight to DGS?
FM: There is probably a sign out there somewhere that has a number of the project on so I would drive out there and reference that in the letter.
DF: They have a field office right there behind the dining hall.
FM: The invoice needs to be made out in the name of DGS because if it is made out to SU in care of DGS they will say that is not us.
GT: Dan, the original request based on the 40,000 had no reference to DGS in it? Just a project?
DH: I don't recall Geno.
DF: DGS hired a design professional and it came from them. The professional at DGS just oversees it.
GT: Then it really should go to Gannet Fleming?
LH: I think the original responses did go to the gentleman at Gannet Fleming. That original person is not there anymore.
SB: The 40,000 would be in reference to Gannet Flemings original letter?
LH: Correct.
DF: If it was me I would send it to the man that owns the contract. The company that owns the contract.
LH: I don't know who the contractor is.
DF: It is on that sign. I won't be at the next meeting.
GT: Thank you Dennis your input is really appreciated.

DISCUSSION REGARDING WELL #2

LH: I know that is something that I have been working on. I spoke with Mr. Tom Yeager at DEP in regards to improvements to Well #2 to gain the already permitted additional capacity. The concern has zone 1 protection area. That will stay at 100' as long as we do not increase the permitted capacity which would not be the intention and we do not redevelop the well which again is not the intention. We can change the equipment and we can change the controls and we can do the things required to get the currently approved capacity without a change to the zone 1 well head protection area which is very important.
SB: How much of an increase in capacity again?
LH: Just north of 400 GPM.
DF: But you said something there about the well, Dan didn't you tell us that that well needed opened up to a larger bore or something?
DH: No, we were going to open it up just there is a lot of head loss at the higher rate. No, we weren't going to redrill the well or anything like that. I would be ideal but it wouldn't be worth the expense to do that.
MP: Lance, how did you hear this information?
LH: I talked to a gentleman by the name of Tom Yeager he is one of the main people in regards to the well section of DEP. It has come up in discussions before in regards to either an additional source or trying to get capacity and one of the benefits give or take 400 GPM is roughly equivalent to the Gunter Valley treatment plant so it became important that if we did move forward in that

direction that grandfathered zone 1 stay as it is. As it turns out we don't have to do any of the other things. No, we are grandfathered as long as we don't mess with the well itself.
DH: Tom Yeager or Tom Shull.
LH: Tom Yeager on July 15th. If that well head will stay the same is a huge benefit to us. I really believe that it becomes a minor permit.
MP: Do we have to keep in touch with these folks or is there no need for us to communicate anymore about what we are doing.
LH: If and when the authority decides to move forward they will be brought back into the loop when permitting is done. At this point in time, no additional correspondence from us. It is really up to us when the time is correct to move forward.
SB: So where does it go with Well #2, back on the shelf?
GT: I think we will wait for the development to see what is happening on the other side of the road.
LH: It is one important piece of information in regards to well #2. It could go toward the replacement of Gunter Valley plant. That is important. I don't believe any design has been done but we didn't want to go too far until we know what was going to be involved.
SB: I understand that I sort of know from everybody at some point we are going to do it.
LH: I think it is a very logical step.
GT: I don't want to spend engineering or legal money right now. It is a matter of when. If that whole area falls apart then we find another avenue.
LH: It is important for well #2 to take the place.
SB: For negotiations if we can get project Starling to the table we have the numbers that we need right now?
LH: We do. We have numbers available.

REPORTS

Engineer
DH: I didn't provide a written report; I didn't have a lot to update this month. Lance, you had asked about McCarty and I talked to them and got a response, September 8 is the scheduled date to get back out there.
DF: Is this on the generator?
DH: They have not done anything since two meetings ago when it came up about the reconfiguration for the generator.
LH: What sparked my email or call to Dan was a call from Mrs. Ginnick.
DH: The permanganate I have talked to DEP and sent them in a preliminary submission and they waived having any kind of meeting and they will do a conference call. We don't have to actually go out there. United Business Park, there has been no word on construction and I worked with Lance a little bit on Project Starling.
GT: How are we coming with breaking those GIS and Southern Cumberland bills out?
DH: I will break those out.

Solicitor
FM: I don't have much to report other than the couple things with Connie on delinquent collections and things like that.

Water Foreman
n/a

Manager

LH: I do not have anything additional to add. Everything was covered in the agenda.

GT: We need to go to executive session for contractual discussion.
Executive Session begins: 8:10 p.m.
Executive Session ends: 8:18 p.m.

GT: We are back after some contractual discussions. I have a question for Lance. It is on the budget here. Last month you gave us a break down and I don't think that I brought it. I noticed a big jump in office costs. I was told that was due to a new mailing process?
LH: What it will show as this year will show a large increase and it will even itself out again next year.
GT: Explain that.
LH: What it is in looking at how the costs are and what the usages are, the water because of the billing, shut offs, the notices and everything else utilized the large percentage of time, equipment, supplies and things along those lines. What it is is a correction to bring things proportionately to where they really should be.
GT: I was told that because the borough has roughly 2,000 people that need letters sent out and we have 6,000 when we send things out we indicate where things are going. There is water billing and there is borough billing. That is the big difference in the numbers. That impacts our budget so who made that decision to change that identification where the numbers are added up?
LH: That would come through me. What is comes from is starting to look at next year's budget and I will be honest and the proportions of all the billings were not in line with what they should have been.
SB: What you are saying like 4 years ago when the previous Borough Manager actually divided everything out and put everything from the office as opposed to just the office to charging it to difference departments it was just done with straight percentages and not actual study percentages.
LH: Correct, there is a lot of things that have actually been done that way.
SB: I am just asking if this is you trying to correct something and make sure that the budget actually reflects where the real expense is.
LH: Yes, then realistically the budget numbers are not accurate.
GT: I have no problem with why it was done because it makes sense. We are sending out 4 letters for everyone and it is really not a 50/50 split. That also impacts another line on here also. That is office supplies. What I think we would appreciate it knowing that the change was made in our budget lines because we are 124% of our budget. If you are going to change anything else in your procedure please let us know so that when we get these we do not say, well gee why are we way over that. That is the purpose of looking at this. Utility billings?
LH: That is part of this change as well. When the billings were all done again it was taken off of a percentage and again the large majority of billings that go out are water authority related just because of the magnitude of customers.
GT: Utility billings is 172 and we are half way through the year. I am not debating that it was done incorrectly we just should have known about that so I wouldn't be surprised. Also, I had found our solicitors line on here. Do we have an engineer's line on here?
LH: I don't believe that there is.
GT: So we are not paying Dan?
LH: I think there is an operations engineer. It is on page 3.
GT: Thank you.

LH: That is a total engineer.
GT: I thought we did have a separate line. That is also a skued line. If there is a $1.00 there that $1.00 could have come out of another line.
FM: I always argued that they should show reimbursed legal fees. They would just show legal fees of $40,000.00 but maybe $35,000.00 was reimbursed.
GT: I am on the engineer line and it doesn't show any of that.
SB: Where would I find on here the electric credit for our solar panels?
LH: That will show on the sewer budgeting?
SB: Shouldn't that be on water? Wasn't that the motion that was made? It be used to offset cost to water customers?
LH: I will have to check into that. I am not certain.
SB: Was it or did you make the motion to have it go to sewer costs? I thought it was water because it was using water property.
LH: I will have to double check. We don't get much of a credit that was anticipated, I know that.
FM: That solar thing is they brought a contract to the Authority and the borough was going to lease the land.
SB: I was just wondering where that was in there. I thought it was supposed to be earmarked to help offset the costs.
GT: Denny?
DF: Is the person that has been really sick back to work?
LH: No, he is not back yet. We are trying to work some details of that now.
DF: How are we managing without that employee? You are running it with an 8 man crew.
LH: I don't have much experience when he was there but as of now, there is nothing that is not being done as far as daily duties.
DF: We felt we could do it with an 8 man crew.
GT: Steve? Troy? Michael?
SB: Do we have any update when Prologis in Cumberland County are going to come visit us?
LH: No, I have reached out with various individuals but no response.

Motion to adjourn

Secretary