

Shippensburg Borough Authority Minutes

July 8, 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)	Louis Larson (LL)	
	Steve Brenize (SB)	Michael Pimental (MP)	

Geno Torri: Meeting called to order 7:00 p.m. July 8, 2014.

PUBLIC COMMENT

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

CONSIDERATION TO APPROVE THE MINUTES FROM JUNE 10, 2014

SB: Somewhere in here I was saying something about the governor; it should be Tom and not Tim. Page 15.

GT: Once the corrections are made how long does it take before it shows up on the internet, website?

LH: The corrections would be made and within two days.

GT: Alright.

DF: I make a motion that we approve the minutes.

SB: Second

GT: Any other discussion? Motion carries

DISCUSSION REGARDING 9714 MOLLY PITCHER HIGHWAY, MR. SHAMSHUDIN

GT: We will discuss a leak at 9714 Molly Pitcher Highway and I think we have a guest here to share with us.

LH: During our most recent leak detection it was identified the leak on the service line at 9714 Molly Pitcher Highway property as is standard Louis developed the letter and sent out the letter identifying that there has been a leak identified on your service line and there is x amount of time to have the repairs corrected. In regards to that Mr. Shamshudin contacted us and I believe he spoke to Louis as well as myself. I went out and met him onsite. What we have been told by the leak detection person is that based on his technology that there appears to be a leak on the service line and by the SBA rules and regulation that would fall to the property owner. In discussions with Mr. Shamshudin as well as the letter that is in front of you now, he believes that the water leak could potentially be due to previous repairs within that general area and there was within the last year a water leak that we did repair within that general area. I also believe it identifies in his letter that he is concerned about the increase in the pressure that occurred last year as well contributing to the leak also. I did meet out onsite with Mr. Shamshudin and talked about what was found based on the information that we have from the leak detection person. I offered him the opportunity if he disagreed to come in and speak with the SBA and plead his case and provide you with what his thoughts are on the situation.

Mr. Shamshudin: I have been living in Shippensburg since 1988. I own the property since 1995, we never had this kind of a problem until there was a repair done to this problem last year and then I get a letter this year stating that there is a leak. My concern is whether that leak could be from that repair previously made and the high pressure being built last year could have caused that leak.

GT: Okay, thank you. Mr. Foreman.

LL: There was a leak in the general area and it was roughly 5 to 6 feet away from his service line. When the leak happened it destroyed a lot of asphalt so we redid that area and the asphalt is dated 7/2013. That has to sit for 90 days before you can pave it. The high pressure went into effect a couple of years ago when we finished the Timber Hill tank. Yes, we had a leak in the area but we did not disturb the service line, we did pave over the legated part of the driveway because that was caused by the water run off by the leak. The leak detector found that it was on the service line. Short of digging it up and physically seeing it I can't guarantee that, but I know he has been at least 90-95% accurate in the past 11 years that we have had him here. I have no reason to doubt his equipment. He verified it two different ways, he sent signals through and gets a noise and then he takes a manual device out and listens for it. Much like what we would do. That is when he found it to be on the service line.

GT: Where was the leak that you fixed?

LL: About 5 – 6 feet up from the service line toward town.

TP: That was on the main line.

LL: Yes, that was the main line.

DF: The service line leak is still leaking?

LL: Yes, the service line.

DF: Okay.

GT: The question we have from Mr. Shamshudin is to repair the leak?

LH: Yes, that would be the request.

GT: Thoughts.

SB: A have a couple questions. When we did upgrade the Timber Hill tank, all the service lines in that area where the pressure went up, they were suitable for that increase?

LL: Yes.

SB: So they are standard and should be able to handle the pressure.

DH: Yes, they should be able to handle the pressure.

SB: Okay. Would there be any possible way that putting the pavement over that maybe caused the leak?

LL: Well, it is always a possibility. You can drive down the road and create a leak by the vibration of the car.

SB: So if they drove down the road and cause a leak on our line we would be responsible for the leak on our line?

LL; Right.

SB: So, if the I am just asking just to see if Snokes or whomever put that asphalt down.

LL: We did.

SB: If the asphalt was put down improperly if would have caused a leak. If it was another company that had done it would there be some type of legal recourse that would we be able to hold them accountable for it?

LH: Yes.

FM: If someone contracts to the SBA and creates a problem on a service line or a main line, it wouldn't matter the SBA would have recourse to that company for the cost to make the additional or new repairs.

SB: Where I am, if it is our fault then we need to resolve the issue. If it is not our fault then it is his responsibility.

GT: Right, and there is no way to prove either way.

SB: That is what I was trying to figure out if there is a way to prove that.....

DF: The bedding could have not been there, there could have been a rock there and until you dig it up you may not know.

LL: Then even after you dig it up you may not know either.

DF: Yes, that is right.

GT: We do have a request.

FM: The option always exists for the SBA to make the repair and bill the customer and we have done that in the past. That is a much more expensive alternative but if there is something or feeling by the members and they want to get it fixed and get to the bottom of it so to speak that is one option.

SB: Then the risk is if it ends up coming up that it wasn't our fault then he will end up paying more than he would if he had a private contractor to fix it.

FM: Right.

LL: That is also why I put in the letter that their contractor needs to contact me and let me know when they are doing the repair so that I can inspect it. If it is determined to be our leak then the customer pays nothing and we pick up the bill.

MP: What would you have to see to determine that it was our leak?

LL: Just to verify that it was on the service, that's all. If it is not on the service line then we would pay the contractor and it would not be billed to the customer. If it is on the service line the rules and regulations are specific about that from where it connects at the main it is the responsibility of the property owner. In any of these leak detections cases I have to physically see it to verify that what we said are the facts. Yes, we have been wrong a couple of times and we have paid those bills. We haven't been and we shouldn't be in the business of repairing customer's service lines.

SB: I agree with you because it costs more.

TP: How do you feel about that Mr. Shamshudin? If once it is opened up it is the Authority issue?

Mr. Shamshudin: Okay, but my question is how does the leak from the area? How do you determine or how can I be sure that okay that leak is on my line? The only way to do it is to dig it up and to see it.

TP: That is what I mean, if your contractor digs it up and it is actually our leak then I think we are all in agreement that we would take care of the fee. If it is yours then...

Mr. Shamshudin: From the property owners point of view the way it has been done the service line is all the way on the state road and anything could damage that service line as you mentioned.

Why should the owner be responsible for those kinds of things?

FM: That is the risk of owning the service line and having public water. The SBA provides the public water through the service line that is owned by the property owner. It is the property owner's responsibility to maintain that service line. This SBA has no way of protecting every single customer that has a service line from damage by a piece of equipment or tractor trailers or whatever. That is the risk that as customers that we all bear. Hopefully it doesn't happen but if it does it is my responsibility and all the customers who have service they assume that responsibility under the rules and reg to make those repairs. It just happened and probably a situation where no one would ever be able to ascertain what caused the leak but our rules and regulations say that if you have water service through a service line you own that service line and you are responsible for maintaining that service line leak free. If it leaks then you are responsible to repair it. As Louis said

there may be instances where it is found that is the SBA's leak and they will pay for it. That is a rare instance.

MP: I am not sure Mr. Shamshudin but there are private companies that offer insurance that you can purchase to cover your line so if your service line breaks this should cover you and might be up to \$4000.00 for repair per incident and an annual cost of somewhere around \$60.00 per year. It is a pretty good bargain so you could perhaps protect yourself in the future and I am sorry this has happened to you but there is no clear evidence that it is the Borough's actions that created this problem.

Mr. Shamshudin: It is not like \$300 to \$400 to fix it. We have to go from the state road down to my property to open that thing to see it you know. I have already talked to Snokes and he said this all has to be open. My question is why is our service line down on the state road, it should be connected to my property so if there was a leak I could open it up by myself and dig it up and fix it. Why do I have to go onto a state road to do this kind of a job? That is hurting us, it is not like we are making money from the rental property. This is an outrageous expense to me. I am just requesting the Borough to take care of this on behalf of the customer.

MP: Our job here is to protect the funds of the other rate payers in the system and if we pay for every leak of every rate payer the rates would have to go to pay every single quarter.

Mr. Shamshudin: Yes, I understand but if was something like a brand new leak then there was a thing then, but this has already been repaired once and it has been 11 months and there is now a leak that you find.

MP: If it is the same leak then we will fix it.

LL: We repaired the main line, the 6" main line in the street. We did not disturb the ¾" service that services your property. That is what is leaking.

SB: Then, as you said for some reason what he said was improper and it is actually our line when they pull it up then we will pick up the cost, but if it is your line it is at your expense.

GT: We do appreciate the concern but you also heard the rationale behind the policy.

DF: Motion to deny the request.

MP: Second,

GT: Motion and a second to deny the request to repair the leak at 9714 Molly Pitcher Highway and is there any other discussion? Motion carries. I apologize for the fact that you are not happy.

Mr. Shamshudin: So what is the outcome now?

GT: The outcome is that you need to contact a contractor to repair your line and make sure that you call Mr. Larson so that we can come out and if it is not your line we cover it. If it is your line then it is your responsibility.

Mr. Shamshudin: Yes, but how will I know. I am not an expert.

GT: No, but Mr. Larson is and Snokes will know.

TP: The contractor will know.

GT: Just make sure that we are there to verify that.

Mr. Shamshudin: So do you recommend any contractor?

LL: I believe that I talked to your wife.

Mr. Shamshudin: Yes, we called several of them. There were a couple of contractors there and said we don't want to touch the state road.

LL: The information that I gave your wife was not a recommendation of services, those people have done work in the Borough water system in the past. I can not recommend one over another. I don't believe that I gave her Rob Reed who does this type of repair work.

Mr. Shamshudin: My wife talked to Reese Plumbing he does not want to do this work.

What type of timeframe do I have?

LL: Hopefully within the next 10 days, when you do get one lined up. Have them call me directly. I will talk to them. That way when they are there I can be there.

Mr. Shamshudin: Do I have to be there?

LL: That is up to you.

DISCUSSION REGARDING 13 FEATHER DRIVE WATER SERVICE LINE REPAIRS

LH: What you have in your packets is again a leak on a service line at 13 Feather Dr. The reason that it is on for discussion it has been brought to my attention that this individual has contacted his solicitor who has contacted our solicitor questioning the SBA rules and regulations. The repair has not been completed however it seems that they are trying to reach out to contractors as well.

FM: I did get a call from an attorney in Harrisburg and he raised this question or belief that the municipality's authorities act which has provisions in it concerning billing and water service, etc. His position that the state law supersedes the local regulations and that they do not address this in the state law. My position to him was, it was a tortured discussion.

SB: Because there is nothing in the state law that they can have a leaking line and we can't do anything about it.

FM: Right, essentially. They do not have to pay for it. I told them that in my opinion, #1 we have the right to have rules and regulations. They were done and advertised and notice was given to the public. Moreover, your client actually signed an agreement with the Authority that made it clear that he was responsible for this leak. Then he got into of where the leak is. I did not understand what he was talking about.

LL: The leak is on the opposite side of the road from this property but it is where the service line connects to the main.

FM: That is what I said. How can you make him repair a leak that is not on his property? Well, it is his service line. I got nowhere with him

GT: Where are we now with the situation?

LH: It is not repaired.

GT: Did he use his 10 days up?

LL: Yes, I have sent him a final notice to have it repaired. Previously I talked to Mr. March the property owner. When I sent the final notice out apparently his fiancé' got the mail that day and she called me. I told them that we would dig it up and turn it off at the main and that may have accelerated the repair. He has contacted a contractor and the contractor has agreed to come up and make the repairs. He is still trying to work a date out with me when he is going to do it. Whatever date that contractor gives me is the final date. After that day we will dig it up and turn it off.

GT: It is interesting that we have lines going under a road and then over. When people buy a house you really don't start asking where are the lines? It is not until these situations come up. Okay, where we are we are waiting for a date.

LL: I do believe that we will have a date by the end of the week.

GT: We will leave it up to management to make sure this happens or we do what we have to do.

MP: Lance, do we have a signed water contract for service for all customers on file?

LL: Not all customers. When the contract went into place we didn't get it for the customers prior to that. Any new customer or when they change hands they sign the contract.

SB: So about what year?

LL: Somewhere around 2003. Maybe 2004.

LH: In this particular case as Forest identified we do have one.

FM: Maybe to answer your question when the issue came up to have these contracts the question was raised by the Authority are we going to go back and get everybody to sign one and at that time the SBA made the decision that would be too difficult to do.

GT: Let's just discuss that. The letter about the opportunity for insurance. Does that anywhere state that it is our responsibility as homeowner's?

LH: Yes, for homeowners. The Authority is not.

GT: Okay, that is what I wanted to hear.

LH: The Company actually sends it and they get our customer listing and then they send it out. The cover letter we endorse the program and not necessarily anything else.

SB: This one should go to all homes. The other ones just go out blanket to.....

MP: If you have any communication with these people the first paragraph needs to be adjusted.

GT: I think that we are going to have to talk about that.

DISCUSSION REGARDING 85 CHESTNUT GROVE ROAD WATER SERVICE LINE REPAIRS

LH: When this was put together we were in the same situation as item #3 and however I believe that this repair is either corrected or being corrected in the very near future.

LL: This leak was taken care of on Monday.

GT: Okay, good.

DISCUSSION TO CLOSE EXETER PROPERTIES PROJECT AND TRANSFER ESCROW BALANCE TO CVRDC

LH: What the SBA has in front of them is the request from CVRDC to close out the Exeter Properties project apparently the people involved with that have pulled out and backed away from the United Business Park and CVRDC is requesting that their balance be transferred over to the CVRDC Phase 2 project which is actually in the negative right now. There is a benefit.

SB: Why don't we have any money in that escrow account?

GT: What is their balance due right now?

LH: IT is a little more than \$300.00.

GT: CVRDC, their balance due is \$300?

LH: Correct.

SB: How much was in Phase 2?

LH: They started with \$3000.00. So we are talking about \$2638.25. What I did advise them is that with this request we will officially close out the project and with that any other particular business interested in that parcel will have to go through that entire process again.

SB: I would make that motion with the understanding that they will also be adding another \$670.00 to that escrow to get it up to \$3000.00 where it is supposed to be. If we transfer that over then they need to send us the remainder.

GT: Generally we ask for the increase around \$500.00 so it is a little early to ask for that.

SB: Okay.

TP: Second.

GT: This is a motion to close the account and close the project and transfer the escrow account without any addition to the CVRDC escrow account. Motion carries.

CONSIDERATION TO APPROVE THE PROJECT FOR THE BIG DOG INVESTMENTS

LH: What the SBA has in front of them is on behalf of Big Dog Investments. They are going to be doing a building expansion for 3250 square feet at 580 North Morris St. This is on for approval of the project, we don't have a project for them so they would be subject to the escrow and they are requested 1 EDU as Louis has done his research and identified the 3250 SqFt addition would actually equal 4 based on the square footage. There are some comments and things that do need to be addressed as part of this as well.

GT: We are just approving the project to be reviewed?

LH: Correct

DF: I will make a motion to approve the project for the Big Dog Investments.

SB: Second.

GT: Any other discussion? Motion carries.

DISCUSSION REGARDING FIRST ENERGY (PENELEC) PROPOSED TRANSMISSION MAIN

GT: This is just a conceptual plan right now?

LH: Correct.

GT: This is just legally letting us know, please tell us about it.

LH: We were approached by First Energy or Penelec in regards to a proposed transmission main, 115,000 V transmission line. Their conceptual plan now is to have the line come to the rear of Hotpoint and go through Hotpoint commons make a turn and then traverse the rear of the property by the WWTP and then make another turn again staying along the property line of the SBA and then cross Old Mill Rd and then continue on to the farm ground. That is the concept that they have. The reason I have that on if to let you know that they have identified to me that it is a 2017-2018 project but it will lead to potential additional discussions. There would be agreements, easements, property infringements that they may have. This is their preferred route. As things progress they will put together a better plan and it would be prudent for them to come and discuss with the SBA.

FM: They could buy it but my experience is that they don't buy it. They just get an easement.

LH: There are a lot of right of ways.

CONSIDERATION TO APPROVE AGREEMENT WITH SOUTHERN CUMBERLAND WATER ASSOCIATION

DF: Is this the new packet that was here tonight? Is that what we are talking about?

LH: The information that was here was simply copies of additional information.

GT: That was the old information from before and since we are revisiting it I thought I would pull it out and Lance made copies. Three of us had a meeting with Mr. Fink and presented this to him. He did look it over and said that he would take it back to his board for their comments. It did foster some discussion that we have had before. Would we be lowering their rates to match ours? We discussed that. Probably not going to happen we are paying their bills with that money coming in. He did ask about the loan, it was clearly stated that it would be given to us. To make a long story a little shorter. We were not comfortable with us getting a true picture from their members that they want to do this. Michael broached that and suggested that maybe sometime the first two weeks in September he will be sending out a letter to every member, every customer saying that they are going to have a meeting to discuss this transfer and that we will be present there. You are all welcome to come as attendees and to answer any questions from their customer membership directly. Michael suggested that we should have something for every member to sign physically saying that they want to transfer. The details of that letter we can work out.

SB: Some of the simple statements.

GT: They have 159 customers and that is what is paying their bills. If 50 of them pull out and say I can drill a well, then.....

FM: None of the townships have a mandatory connection.

GT: We need a commitment that they will be a member. We went into a little bit of a discussion about making it a feasible operation. With that said, we did leave him with an assignment under financial matters we asked him to provide us with the last two years of audit. The current financial statements and information about the certificate of deposit. When it expires and rates and things like that. Item #5 is the written evidence of membership agreement. What we will need from engineering is some very important items. He did produce a long list of things. I need to have the critical items, things I really need to have. Send them to Lance and he will forward them on. Hopefully we can get these things in the next couple weeks and start working on the bi-laws.

FM: I have those, I thought that I gave them to Lance.

LL: We got those a while back.

FM: I contacted their council. Now are they current, I don't know. This is what the attorney, Jim Flower the father and Jim Flower the son are both deceased. Tom Flower has never had any interest in this at all. They may think that they have an attorney, but they don't. He sent me the bi-laws and a copy of articles of incorporation. They did that in 1968 as a non-profit and one of the things that is troubling in here is one of their bi-laws says they will issue a membership certificate to anyone that is a member and then they define a member as anyone who is a customer.

GT: Our critical question about the bi-laws is; is there a way for their board to make these decisions? Does it have to be a vote of the association?

FM: I read these through a few times and I didn't see anything. Duties and powers of the directors. It does say that they would have all the powers that a board of directors would have.

SB: Would number 20 sort of cover that.

FM: Before we leave tonight we will make copies for everybody. I had a 2004 set of rates.

GT: We need to approve this agreement so that whenever he says that their group approved it we can all be signed and it is official. We will be billing him for these services. The point of this is not to spend their money but to get a look at the system. To see whether it is a workable system.

DF: I thought that we were going to set up an account that we could draw off of and put a limit of maybe \$25,000.00? How else are we going to guarantee that we are going to get paid unless we are part of the account?

GT: To me that is a little high just for our services here. I am not talking about putting the meters in or anything like that.

DF: I am not either. You are going to get a lot of expenses here. I think you will have to send certified letters to every member and have them sign off.

LL: When we did Huckleberry it was the responsibility of them to send it out and get it signed and have all of those back before we close the deal.

MP: Same difference though.

SB: We are using their money.

GT: We have a staff to make sure that this happens. They have one person who is trying to handle things and the fact that those letters are important we have a staff to know that it went out.

FM: In your discussion with Mr. Fink the bi-laws require an annual audit.

GT: He said that they have had them done. IN the last two years.

FM: He will give us all the financial documents? Do they still use Tracy Engineer?

LL: I thought that they use Martin. According to the paperwork they gave us before they have a bookkeeper that does the billing.

DF: I said about the escrow and maybe I am high on the \$25,000.00, but there is a lot to be studied here. There is a lot of going back and forth. We should be billing for Louis and Lance's time and the office staff.

GT: We need a motion to approve the agreement and we can add the escrow. Any other discussion points?

SB: Would that be added to 6 or make it under financial?

FM: I will put it under miscellaneous.

GT: He felt that there was about \$130,000.00 in there right now.

FM: The way that I prepared this document was to lay out ultimately what could happen if the SBA decides to take it over. Not will happen but what could happen as we learn more.

GT: Talk about the money. He did ask about that and they have \$130,000.00 to give us and then he asked about Huckleberry and how they did it. Orrstown came with a grant of \$150,000.00.

FM: Huckleberry had \$25,000.00 in the bank and gave \$20,000 to SBA and \$5000.00 to dissolve the corporation.

GT: \$130,000.00 is a lot of money and let's say that we spend none of it and they transfer it over today. He is concerned about the rate. They have seniors out there. That is how they are paying their bills. We are talking about a rate district. Having money their system would be supported and if the area grows with the 26 homes and possible mobile homes. If we get enough new members that could have an impact on rates.

SB: Right or loans paid off. That can have an impact on rates also.

GT: That would be shared at this meeting that we are not just coming in and taking their money. He kept saying that all you have to do it turn the spiket and you have water.

DF: Yes, but that is not the case.

GT: We discussed and I would like your opinions on this. We would like to keep their system intact as long as possible because if we would just shut down their well and turn the spiket we are giving them 159 EDU's. One for every customer without any compensation for it. It is pulling from our EDU resources.

DF: That is all part of the engineering study that Dan will do. Plus that valve needs work according to Louis. Those costs will be passed on to them.

GT: But by keeping their system in operation as long as possible it doesn't impact our volumes which seem to be at a limit here also.

FM: You wouldn't want to just shut their system down in any event because whatever their well is it has some value as a well and if you shut it down and you are not taking water from it sooner than later that permit goes away.

SB: Right now the well provides the water for the system.

GT: Mr. Finks perception has been when this transfer happens they be using our water. Open the valve and have water and that is a cost savings. We are thinking that we really do not want to discontinue your system unless we have to.

SB: We are looking at taking on a system that has got \$250,000.00 worth of debt when you look at the difference of numbers to try to get them to the right size so that they can be a part of our system.

DF: I think Dan will give us a cost to run that well in the future so we know what the costs are.

DH: One of the critical items is to evaluate that water source and make sure it is viable long term.

SB: Is there any benefit to the interconnect between them and the Huckleberry system?

LL: No. That was taken away before we took over Huckleberry. However, it can be put back.

SB: Okay, so there are possibilities.

DF: If we are going to go with an escrow account then #6 would need changed because we would draw off of the account and they would not be reimbursing us.

FM: I will rework that.

DF: We would have the invoices to prove the costs associated.

FM: Yes, I will rework that.

DF: I don't know if you want to go under the \$25,000.00.

FM: You can always put that money in a short term CD and still draw some income from it.

GT: Any other discussion on this?

DF: Well, I think that they want all our reports that we produce about this in #4. I don't have a problem with that but it is costly to reproduce. I would like to see, you mentioned something about September that he was going to have a meeting with the members? I think we should work on this letter that should go to the membership so we know exactly what we are going to say to those members and if you are sending them certified that they sign. If we get to the point that they are going to sign to join up with us, that they sign.

GT: He was going to work on the letter and forward it to Lance for our review.

DF: You mean Mr. Fink was? I am talking about the actual letter?

GT: I mean the actual yes we are going to sign on to the transfer and be an SBA member. Maybe we can ask Lance to work on that and share it and we can look at it.

DF: I expect that we will get some negativity and do we want to say that we need to have 85% sign on or do you want 100%.

SB: I want higher than 85%.

GT: Well, I think it comes down to the dollars. We will have to sit down with a calculator and if they are pulling in this much per quarter and what numbers can we have? I will make a note here that we will sit down and talk about this.

SB: As part of that letter also point out the benefits that they are having. We are not charging them a tapping fee. Yes, they are becoming part of a rate district and their rate is not going down to meet the rates of our current system members but they are not charged a tapping fee.

DF: I am a little worried about this mobile home park.

GT: So am I.

DF: I am worried about it because we have a lot of independent mobile home parks around here that have their own water system. I wonder if that group of people say, we will punch a well and have our own system.

SB: Well then it falls apart.

GT: That is what I am concerned about also.

FM: The problem with that theory Dennis is that it probably doesn't work because at least in most cases the lots are leased to the individual customers so if that were to happen it would have to happen at the lessor's level or the owner of the system or the owner of the park would have to do that.

DF: He has one incoming line and he cuts it off and puts his own well in and boom he has his own system.

GT: Once the transfer happens then the township law doesn't rule them. You are saying if he pulls out before? Oh, okay. Absolutely. What type of commitment do you use for mobile home estates? They do vary. That is why we need the commitment. What type of commitment do you use?

LH: Right now we have many that we do not own the lines in the park.

FM: Shippensburg Mobile Estates is a prime example.

GT: Ok, how do we bill the mobile estates now?

LL: They have a master meter and we bill everything that goes through that master meter to one account. That includes any leakage.

GT: Let's say that they have 50 mobile homes at this location and they will have one meter and then another 50 come in?

LL: We would get additional EDU's. That comes over a section of the rules, change of operation.

DF: Was it you that told me that this part has a lot of expansion? That is where I am worried.

FM: What are the rules as far as having a private water system?

DH: They have to meet public water system regulations. Setbacks, etc.

LL: Certified operator,

DF: Did they punch a well inside that park?

LL: No inside. They do have two wells; the second well was drilled where the old school was.

GT: We were told it is at the mobile home park.

MP: We were shown on the map where it was. In the park. It is owned by the water association and not the park.

DH: So, they have a site for just one well right now Denny? I am talking about the park.

DF: There are two lots set aside, that is what I was told.

LL: Two lots set aside. Are we talking about the park by the interstate or the one where the old school was?

MP: That area at the school is set aside for 29 homes.

GT: Although that could be changed.

LL: 29 homes could be 29 mobile homes also.

SB: They are lots for owning and putting a home on it? This is where the old school was.

MP: There has never been any mention of trailer associated with the old school grounds. The only associated with trailer living has been in the park.

LL: Wasn't it identified to us that the school ground property that it was housing lots. Apparently have roads, curbs and gutters.

FM: It would be important that the SBA know how that mobile home park water system is set up and how it is billed.

LL: My understanding that they are individually metered.

DF: It says it right here, Southern Cumberland Association has the right of way to maintain the lines to and including the water meters. They maintain everything. Who owns this park?

GT: It has been sold a couple times.

SB: This is the park and this is the one not developed at all.

GT: Lance could you check when you give him a call about the escrow can you also ask him how the park is being billed?

LH: Certainly.

SB: Considering you are talking about how many homes are currently in that one?

GT: about 50 some

SB: With potential for 100 more. At one point do we do our due-diligence and talk to the owner of the park? Just to get his input and thoughts.

GT: I am assuming that he is a member of the association.

FM: Technically everyone in that park is a member.

GT: This is not a clear cut issue. He has informed us that someone new just purchased it. He is trying to work out an agreement with that person about the water and currently there is a leak in there right now and the person doesn't want to fix it and he is saying it is his problem and so we made the point that we are concerned about making any agreement if you expect us to take it over. It is really an issue that will come back to us regarding this person. These are valid questions.

SB: I am okay with going further into the rabbit hold so to speak. If it is at their expense.
GT: Remember Steve at some point we can say there are issues beyond your control and our control and we are not going any further. We are going to be very cautious about our exploration. We will let them know as we see things. He understood that and did appreciate that.
SB: I move to approve contingent upon the amendments that our solicitor will send us the email of.
FM: DO you want the whole agreement or just that part of it.
SB: Just the email sent so we all see it. Make the motion that we are voting and approving it and once we get that email as long as none of us have any problems with it then it goes for whatever you guys need to use it for, can we do that?
GT: WE have a motion to approve the agreements with the adjustment for the need of an escrow account of \$25,000.00 and an adjustment to Item #6 under miscellaneous which will be forwarded to the SBA.
MP: Second.
GT: Any other discussion? Motion carries. Thank you.

UPDATE REGARDING THE SHIPPENSBURG UNIVERSITY CHILLER PROJECT DRAFT AGREEMENT

GT: I did not get a response back from anyone saying that there were any issues. There was one item that was brought up to me on the last page. #7. The parties understand and agree that this is any interim agreement to facilitate the ongoing chiller project and those future negotiations and discussions will be held for the purpose of arriving at a permanent agreement concerning the water supply to the campus by the authority. Would you clarify why or how that was written.
FM: My understanding was that the agreement was to be, just that. This was to get the authority and SU over this ongoing debate. Whether it is 40 EDU's or 40,000 Gallons? At some point there would be a master agreement that sets forth all the baseline figures and how SU will be notifying the SBA of new projects, new EDU's, etc.
GT: I thought that you covered that in item # 5 and #6? Number 7 in my mind just sort of confused the issue that we are going to discuss arrangements concerning the water supply.
SB: I agree with that. They are giving us 53 EDU's and we have created a baseline right now and after they get on line we will compare that baseline to the other baseline and if it is over, they will owe us more EDU's and then that number no matter what it is becomes the baseline and any new projects they will be paying us for EDU's.
GT: #6 very nicely does indicate that remodeling of structures, etc. Anything in the future we need to know about it.
DF: Did you go over this with their person?
FM: No, not at this point. My direction from you guys was to prepare this agreement and not necessarily placing it in the hand of SU. I hope I got the right entity and I think it is the Commonwealth of Pennsylvania. State system of higher education.
DF: Yes, that is right. I would like to go over it. I think I have a lot of questions. Second, page. Equivalent Dwelling Unit. EDU's That is all the way through. #4, third sentence down.
SB: Maybe if you do SU understands that and agrees that should the actual usage attributed to the chiller exceed the 53 EDU's they have purchased then....
MP: I have to ask the question. How are we going to be able to say that any excess EDU's can specifically attribute to the chiller? Aren't we simply saying, whatever the timeframe is we will look at the EDU's and whatever they are they will pay for? Once you say, attributed to the chiller
DF: Well, then you already said it in #2.
MP: So then why are we being redundant?

SB: So what you are saying is on #4, the SBA shall determine usage based on the 12 month period immediately following notification that the chiller is operational. So before that notwithstanding then after the SBA shall there should be something if at that time the increased usage is more than 53 EDU's then they will be billed.

MP: Just as they will on any other subsequent.

GT: We are taking your average and adding 53 EDU's to it and then at the end of.....

SB: Right, so start with that and then reword the top part and then in one sentence say

FM: Okay, your point is well taken.

SB: If the average usage is higher than the previous baseline plus the 53 EDU's then SU will be billed for the additional cost at that time.

MP: What is in #4 that we need?

FM: I think that you need to have in there the part that talks about the credits. They seem to have a notion that if there were less usage that they would somehow be able to use that, suppose that it came out to be 41 EDU's instead of 53 EDU's that they would have those 12 available as a credit. I think perhaps there isn't anything in there that isn't covered in another way expect for that.

MP: So the sentence that SU further understands that and agrees that no credit for unused EDU's will be issued and shall not be entitled to a refund for unused EDU's. That is the sentence that should be #4?

FM: Right.

MP: Okay.

FM: I think that you would probably want that last sentence in there also. That you reserve the right to determine the usage even though that is in the rules and regs.

MP: Okay, so the SBA reserves the right to annually determine usage by SU to determine whether the actual usage exceeds the allotted use. Okay...that makes sense to stay.

DF: Can I start again? Back on #4. In the middle it starts the Authority shall determine the usage based on the 12 month period immediately following the notification of the Authority by SU that the chiller is operational currently projected. That does not sound right. That the chiller is to be operational by October? Right, you can put a comma in there. Now, I wonder if at that point at 100%? That chiller could only be running at 40% and not at capacity.

SB: Well, that is what the next is... not withstanding forgoing and the authority reserves the right to annually determine the usage by SU to determine whether the actual usage exceeds.....

DF: And how are you doing that? Are you metering that?

LH: We will go by the annual meter readings.

DF: Are you metering the chiller?

LH: No.

DF: I think that you need to meter the chiller too.

SB: It is based on the, if it increases it is based on not the number now it is based on the 2016 number.

DF: Okay then you have it to put if the chiller is running at 100%? You can't base it on 30% operation at that time, the chiller has to run at 100%. That is why we are doing this agreement.

SB: So in 2016 they might have it at 35% and they don't ramp it up to 100% until they take a bunch of stuff off that they don't have to pay for.

DF: It could be 2017 or 2018, who knows.

SB: But wouldn't the additional 60% of the chiller, are they shutting down buildings?

DF: They are not turning it on to the buildings. They are bringing buildings up independently.

SB: Right, but they are paying us 53 EDU's and then we are creating a new baseline in 2016.

DF: But, we need to have that chiller at 100%.

SB: We reserve the right to every year if there water usage has increased to charge them for additional EDU's and any additional projects that are done at that point they will be charged for EDU's.

DF: And they will come back and say, if you look at the history of the SU we have had high and low years. We watered the football field, ect.

SB: That is fine and if they sign the contract the way it is written it doesn't matter.

LL: Regardless of where the chiller is in October of 2016 whether it is running at 20% or 100% that is when the numbers starts.

DF: Ok

LL: If we review it in 2017 the chiller is operating at 70% and they are using more water than they were in 2016 then they will pay for the EDU's.

DF: And they will agree to that?

SB: That is what the contract says.

DF: I know that is what it is saying but I want to lock it down tight.

GT: It would be to our benefit if they are only running at 30% during the year of 2016 and then don't gear it up until 2017 then the use will be higher and that is when it will be higher. If they are running at 10% in October 2016 they have already paid for the 53 EDU's whether they use it or not.

SB: Okay, #7 is gone. #8 and #9 are good, except that they will be moved up. #1 and #2 is good and #3 is good. #4 will be modified.

FM: One thing that I have to admit that I did not do and I wasn't sure how. I don't know that you really came to a decision about it so I didn't put it in here. One of the things that Louis and I have talked about was the draw down, the initial fill. I want to put something in this that would deal with that but I wasn't sure where the Authority was with that. Are you only going to allow them to fill it between the hours?

LL: 10 to 5 would be a better thing and at no more than 400 GPM.

SB: Or you make it so it would be under the supervision of our engineer and water foreman.

DH: So that it would not have a detrimental effect on the system.

SB: So that it would be done in coordination with our engineer and water foreman on our terms.

FM: I wasn't quite sure how that would be done. Don't they have a fall break or something?

DH: I think we could work that out in the field pretty easy.

DF: Intend to be legally bound by the parties hereto has set their....hands. Okay, then that correction.

GT: Dan, the letter from you on January 14 you have about this a special purpose fee for District 7.

DH: That would apply toward the EDU charge.

GT: Is that incorporated toward this document because I don't think that it is.

DH: No, that is a straight up EDU charge.

LL: There isn't one attached to District 7 yet or is there.

DH: No, I think that there is.

GT: I would be \$124.00 per EDU. So, do we need that in there?

DH: Yes, thank you Geno. I had forgotten that part.

LL: You will need to add any special district fee as it applies per EDU. The specific amount you have is the general charge for the EDU's and the district fee is always added on top of that.

SB: The sum of the total amount representing the cost of 53 EDU's x the cost of this and then the cost of the special district.

FM: That would be \$2,175 if you add the 2051 and the 124 that comes up to \$2,175.00.

SB: Right but what you are saying is that they need to be billed as separate line items. They can be paid together but they need to be shown separate.

GT: What is the \$6,502.00?

LL: The fee? That is the main line extension out Earl St. to the Foundations property.

FM: It seems like that foundation building has been there forever.

SB: Are we looking at coming back with this?

GT: How about if we approve it with the corrections with the final approval of the chair and management.

SB: Okay. So moved.

GT: We have a motion to approve the SU chiller agreement as amended with the final approval of management and chair.

MP: Second.

GT: Any other discussion?

DF: From the point of this it goes to their attorney or who is it that you are discussing it with?

FM: Their attorney.

GT: Why don't we give it to their engineer and then he will get it to them.

DF: They will make changes and then come back to us to agree.

GT: All in favor, it passes 4 to 1. Dennis Fleagle opposed.

DISCUSSION REGARDING SOUTHWOOD CROSSING PHASE II

LH: I have it on there as a discussion and at the last meeting we approved that particular project and the escrow was provided and Dan has started his review and at this point in time there is no update. We would expect to have something on for action at the new meeting.

DH: I haven't heard anything from him this month.

REPORTS

Engineer

DH: Forest Ridge GenSet relocation I haven't heard anything from Mr. Ginnick. McCarty hasn't been out there working yet, they are coordinating with Cummins and they are looking to get out there in August. I am going to see if they can move that up.

GT: I did see that on your invoice to us that you are made a phone call with Mr. Ginnick and Lance?

DH: Okay, that was last month. Other items to update, United Business Park, construction underway they were off site for a couple weeks and as far as I know they have not started back up. There is not a lot of work there left to finish. Meadows Green Subdivision; that should also read as Phase I. If you remember the gentleman was in and discussed us to review that for pressure and flow. This is at the end of Blackbird and Cardinal Lane and it is roughly 40 – 45 PSI so we can adequately serve the phase I. I did add in there, I looked at the future phases based on the early draft of the development. We will not be able to serve that with adequate pressure without connecting to the middle pressure zone or putting in some sort of booster system. That wasn't part of this review but I did want to bring it up now.

FM: The original agreement had the developer building a stand pipe out there.

LL: Yea, a 250,000 gallon storage tank elevated and a booster station.

LH: There is no phase II, it is not submitted or anything at this point in time?

DH: Right.

FM: The other thing that was kicked around at that time was if somebody develops the Cramer Farm. If they would bring water lines into that area over there, then that could alleviate the necessity to have a stand pipe. Whomever starts Phase II out there has a clean slate to start with.

DH: Okay, any questions?

Solicitor

FM: I didn't prepare a written report because of the items that I worked on this month were included in this agenda.

Water Foreman

LL: My report is attached to the packet however there is a slight change. It is up to 8 main line leaks have been repaired right now. There were 22 previously undiscovered leaks. 11 main line and 11 services. Roxbury Tank cleaned and as part of our contract with utility services they determined that the fail protection on the Mainsville tank was inadequate and that fell under their maintenance contract and there was no additional charge to us. They put in a fail protection system.

MP: Louis, these leaks do you have any estimate of what kind of gallons we were losing there?

LL: Of the ones that we repaired they have all been small. Less than 100 gallons per minute. Most of them have been small. When we get them all fixed we may see some significance. That is where the annual survey is at right now. We have gotten rid of all the big service leaks.

TP: What is going on up there at Lurgan Ave?

LL: That has to do with the crossing of the bridge and there may be another leak there that we couldn't determine. We have to get the bridge crossing fixed first which we are looking at the later part of this week or the first part of next week to isolate that and then we will see what happens. I have a feeling I will bring our leak tech person back for a day.

Manager

LH: I have a couple things in addition to what we talked about. In regards to the Meadows Green, I will let them know the results of Dan's study and reiterate to them that EDU's do not become their until they are paid for. They are simply approved but not guaranteed until purchased. They may just purchase them at all one lump sum. Second item I was requested to reach out to the PADEP and let them know what was going on with regards to well #2 and the grandfathering of well head protection zone. I have done that and at this point in time it has been identified to me that the well head protection zone was determined based on the permanent gallons per minute and that our grandfathering will exist and that we should expect no issues. In addition to that they have identified that if we would still like to meet with them we can set a date and time to discuss it. The one thing that I do not have is something in writing.

DF: Can you just email him and have him confirm something for you?

LH: I have but have not gotten the confirmation. That is not surprising; sometimes it does take a little while to get a response. I may in fact schedule a meeting just to discuss it further. I do think it is important that we do have something in writing. No surprises.

FM: You can always write a letter Lance and say if you do not respond within 15 days of this letter we will assume you have approved it.

LH: I like that. The early indications are that it will stay.

FM: We had lengthy discussion when that well site was acquired.

Any other business

GT: Troy?

TP: Did you get an email or a text I sent you?

GT: I apologize, I was in Maine and the resort was having very bad internet. Gee, it would be great if we had water from the sewer plant for the chiller.

TP: We could sell it twice.

GT: If that whole concept had not been abolished or attacked it could have had good consideration.

TP: Even in the future.

GT: Maybe if we went with the reuse concept without using it for drinking water, people would see the value in that.

MP: The challenge you would face due to the current history anybody that would look at using that would ask themselves what happens if we have a significant malfunction at the wastewater treatment plant, there goes our supply. You would have to shut it off immediately. I do not know the engineering answers to all of that. I really like the idea.

TP: We have all that water going in to it, it has to come out.

MP: When we went to State College to view their treatment plant of the water that had gone through their WWTP, that water is sent to the community as not as potable water. It is used for different purposes. I think they put it in pools, etc.

GT: That is an interesting concept. I think we could sell that. You wouldn't be taking ½ million out of this system.

FM: That would be good for fire protection system.

DH: It is the piping. It is doubling the infrastructure costs. One pipe for potable and one for non-potable.

GT: Steven?

SB: After I sat down with you guys to talk about this document I went to a school board meeting that night and heard from one of our local property owners, Prologis that they had permitted industrial wells at that site which I had never heard of before. I was wondered if Lance heard of any of that?

LH: Not to the knowledge of DEP.

SB: I was asking them, I am guessing that you are going to permit your construction wells into permitted wells. They said, no we have permitted wells. Okay, that is the first I have heard of it.

GT: Denny?

DF: I would ask to be excused from the September meeting, I will be on vacation.

GT: Mike?

MP: I would like to get together about this business about a signed water contract for service for SBA customers. I heard about conversation about since 2003 a contract has been signed when property changes hands. I have changed a lot of property since 2003 and I don't recall that. I would like to just chase down with you on how that happened. Maybe it is part of that packet you get?

GT: I just sold property and I was given a one page document for the new owner to sign.

MP: Okay.

GT: I just handled that with them.

MP: This insurance letter as we talked about this evening. We have to address this thing. I think first of all we need to correctly clarify for owners what the responsibility is due to their water lines. Number 2, we need to send a letter, if it is going to come from the borough with borough letterhead it needs to be listed options for insurance rather than an endorsement from this particular private business with the same insurance.

GT: Do we get a percentage of this?

LH: We get nothing?

SB: That is not the original thing when it was passed by Borough Council when they passed it. They are supposed to be sending a check. We are supposed to be getting a check. 10%, I remember in that meeting because I argued to take the 10% off of the bill that they were sending the people instead of giving the Borough to the 10% and that is not what was done.

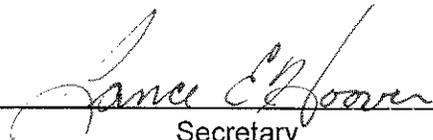
LH: To the best of my knowledge we don't get anything.

SB: That was the motion if you look back that was the 10%.

MP: I think we need to look at that and make some changes.

GT: I questioned why we were not informed when this was happening.

Motion to adjourn 9:03 p.m.


Secretary