

Shippensburg Borough Authority Minutes

JULY 12, 2016

7:00 pm

Present:

Michael Pimental (MP)

John Epley (JE)

Forest Myers (FM)

Steve Brenize (SB)

Kerri Burrows (KB)

Louis Larson (LL)

Evaggelos Tsamiras (ET) Dennis Hammaker, P.E (DH)

Absent: Troy Pomeroy (TP)

1.Public Comment: Mr. David Sciamanna (DS). Dan Hershey (DAN)

(DS) I am the Executive Director of the Cumberland Valley Regional Development Corporation. And we have worked for over 10 years with the SBA in actually three phases of construction leading to the development of the United Business Park. We have had and I would phrase it as a very positive working relationship with the SBA over the years and obviously right now we an outstanding issue that we recognize that needs to get worked out. And we are working at our end to try to find a way to move that forward. But that is not why I am here tonight. Why I am here, is that I realized in talking to our engineer, who at this point has been Carl Bert, of course now they are a part of HRG. But they designed for us the next phase of construction in the park which is about under a 3 million dollar phase. We have already spent in the park between the land and the investments that we have made, plus public infrastructure, the widening of the bridge et cetera, there has been well over 15 million dollars spent in the park and as I am sure that you do know, we have after many years of frustrations we did have some consummated some rather significant land sells. Which has helped us stabilize our financial position and allowing us to move forward, so we are now embarking on the next of the last phase of infrastructure, developing in the park which is extending the road which has been extended back about a thousand feet in additional about 2200 feet will take us to Furnace Run. As part of that we extend our water, we extend our sewer, we extend our gas and the communications etc., it is a big project being funded jointly by Matrix, who is the purchaser of about 200 acres and CVRDC. So with that said, so we submitted our plan to, as we always had, to the township in February. Well to the township and of course SBA on the 18th of February and it was returned with comments which is typical on the 28th of March. Our engineer reworked the concerns raised by your engineer, Dennis and Rettew. We resubmitted them on the 11th of May and we never had an issue with getting plans approved in fact I think we have a great track record, and I will let Louis speak to that, of doing exactly what we say we are going to do and paying the bills that we get from the authority. We have always worked with Forest, etc. to get or to make these things happen. So I called John and I said John we have signed a contract, and contractor is on site and we need to get these plans approved and we never had an issue before and I asked him, what is the problem? Why can't we get our plans approved? And John said that he was going to bring it the board tonight for discussion as a part of his report. But I thought it was important for you to understand, that we really need to get this approved and any other issue that may be getting in the way shouldn't get in the way, because this is a separate issue. We submit them and we follow the rules and we fund it and we do everything according to your program and so we are really coming here this evening to tell you that we would really like to have your cooperation to get this phase approved so that we can spend another couple hundred thousand in water line and meet our obligations that we have with our buyers. So that is why I am here this evening, again it has been over two months now, on the second submittal. And in the past that second submittal has usually turned around in a matter of weeks and then we typically develop an agreement, a funding agreement, securing the work, that we are prepared, we have the money in an escrow

account that we are prepared to do that. But we can't do that obviously until we have the plans approved. We are really asking for your cooperation tonight to work with us to get that part of project in the park in the United Business Park complete.

(MP) Very good, anybody have any questions for Mr. Sciamanna?

(DS) So I guess the question I have is when can I expect a response? Is that a reasonable question?

(MP) It is a reasonable question, absolutely, Mr. Myers would you please?

(FM) Well one of the things that, everything being equal, one of the things that is different now is, we have this Writ hanging over our head, we have no idea what the claim of CVRDC or Matrix is. We think we know, but we don't know what it is, or what it will be. For us, the Authority to take actions that somewhere down the road could be questioned in this law suit is sort of, not a good idea, I don't think. I mean I think the authority wants to get this thing settled, you want to get it settled, I imagine, Matrix would like to get this settled, because they are held up. One of the properties is Lot 6, which they own, outright now.

(DS) That is correct, and by the way Dave Thomas was planning on coming to the meeting tonight, but he had a personal matter.

(FM) the point is, the borough authority got a very, very caustic letter from Salzman Hughes about this whole situation. Saying that they are ready to file suit, that Stevens and Lee and so on, and so forth, this was after the authority authorized me to go to Jim Hughes with what I thought was at least an olive branch to try to get those two lots, lot 1 and lot 6 resolved. And then move forward, you know go forward with it. I never heard from him ever, until we got that Writ of Summons and on June 20th I was on my way to Philadelphia, he called me and he said that we are going to be out of the law suit, you are going to have a letter in a matter of days, that says Salzman Hughes, we want to get this resolved with CVRDC. I haven't gotten a letter yet, so my whole, and I will take the blame for it, I am the one who said we need to go slow on this because we need to know what is going to happen.

(DS) okay

(FM) At this point in time Dave, we have no idea what you might do, as CVRDC.

(DS) I appreciate that

(FM) Your representatives Stevens and Lee have said that they are ready to file suit they are ready to go gung-ho on this, that puts this authority in a pretty awkward position to be looking at plans and approving them and then all of the sudden, they get a law suit thrown at them, who knows what it says, because I don't.

I don't know what their argument is. I don't know what ultimately they are going to argue. So I will take the blame for the delay, I speak, if you want to get this moving in my opinion, what you need to do is to have the people that can make the decisions to sit down and with the authorities people and work this out.

(DS) What we need to do is obviously is to sit down and our board meets on Tuesday and so I want to be able to report to them, this is where we are, I mean basically we are on hold, is what I am hearing, until...

(FM) right, I would characterize it as that

(DS) I clearly need to understand where we are, so I can convey that to our board. Now when we are prepared to sit down to do that, which needs to happen fairly quickly, I agree. What is the venue for that type of discussion? Is it a private meeting, with just a couple of the board members or is it a public?

(MP) I think that is what we are envisioning probably the chair, the vice chair and our legal representative just to make sure we don't offer anything that we shouldn't and make sure that we do this properly.

(DS) And when we get back to you, you are prepared to do that quickly?

(MP) Yes,

(FM) yes because our solicitor has our current position

(DS) I didn't know anything about Jim telling you he was going to get you; I didn't know anything about that conversation. I just know that we didn't receive your response and that is really where we are, we have to respond to your response.

(SB) And we have your last response, your last response and somewhere in between there.

(DS) we sent a letter and then Forest responded

(FM) So if you can put yourselves in these folks position, these gentlemen and ladies, and they get slapped with a Writ of Summons, which is essentially the start of a lawsuit, but it doesn't tell them anything except, we might sue you or we can sue you now.

(KB) We reserve the right to sue you

(FM) right, and nobody knows what your claim other than the fact that you are disappointed with what the authority did, what it would be, so would you be moved. If one of your contractors filed a Writ of Summons against you, would you be moving forward bidding and everything like that with them?

(DS) I don't know, it is a little different situation, but I appreciate your position and I needed to hear your position because obviously we have a lot invested out there and our job is to build infrastructure and get you customers, and you want customers so we both have a similar view, and we want to see the community economically grow and we have a shared interest in that. Obviously we disagree with a specific action that you took, but that doesn't mean it's the end of the road and we need to continue to work through that. We have to and we understand that so I appreciate your willingness to talk and share that with me. And I will Tuesday, I am glad we met tonight because Tuesday is our regular meeting and I can report back and we will be getting in touch. We will work with John to set that up.

(MP) so in terms of the time line, here is my perception of it, maybe I missed something. But the evening that we all had the meeting here, the evening where we all had the meeting, yourself, Dave and your attorneys.

(DS) that meeting, the last meeting

(MP) You all asked us to quickly give a response because you were up against a significant deadline, so stayed later and we cobbled together what we thought, was a reasonable response and we instructed Mr. Myers to deliver that response. And we have been, in my impression, we have been waiting since that day for a response to our offer.

(DS) We did respond in all fairness, we did respond. You may have been disappointed in our response!

(MP) I really don't think that was a response, what we are sort of like waiting, we made an offer, that is the way I see it, that is what is holding us up. Let's get a deal together, let's make this work.

(FM) in all honesty Dave the letter that I got, the two letters I got from Scott Weiland, I didn't consider them an offer, I considered them a threat. If you don't accept this \$500 dollars extra tapping fee per EDU, you know, we are ready to go to court. I mean you know, I don't that kind of thing, that was my perception and I think all the people in here read it and all of them had the same feeling. That you know, we are ready to go and if you don't take this we are going to file the suit and file a complaint and see what the courts say.

(KB) that being said, I don't think there was ever any intent of the SBA to hold anybody hostage with that, it is just a matter of being able to do what is best for our rate payers and listen to our legal counsel. And what we were being told by our legal counsel and what feel is best for our rate payers is to see where the dust is going to settle and not make a decision that could come back and affect our rate payers in a significant way, 3 months or 6 months down the road, because that is the whole reason why we are sitting here, because we don't get paid to sit here, well except for those two (implying Forest-solicitor and Dennis-engineer).

(DS) I appreciate your time this evening and we will be responding in a prompt fashion.

(MP) I am really glad that you came here. I hope that helps clears things up.

(DS) I am a firm believer in talking and you need to talk and work things out, that is why I did come. I appreciate the opportunity. By the way just to make one quick comment, there is a couple of things that we put on the, I just want to clarify and make sure that everyone understands it. One is for the Phase two escrow, which that project has been closed out, Phase three our deal with Matrix is to split all the costs, so while we want to close that active escrow fund, we will fund it the \$3,000 we will open a new one, concurrent with before you release the money we will put \$3,000 in but it needs to come from a different pot of money than where that came from. So we are just trying to clean up our books. I just want you to understand that is what we are asking for and then Dennis hopefully you will be able to respond as quickly as we can get this passed.

(DH) I will do my best.

(DS) Thank you

(MP) Thank you and a good evening to you. Dan, are you here for an agenda item I presume and not for public comment?

(DAN) correct I am here for agenda items f and g.

(MP) I wasn't quite sure and just wanted to be certain. Let's move on to our meeting minutes.

2. Consideration to approve meeting minutes of June 14, 2016

(SB) Motion to approve

(KB) second

(MP) Moved by Mr. Brenize seconded by Ms. Burrows, any corrections or additions to the minutes? Being none we will vote

All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously

3. Reports:

a. Engineer-

(DH) Thank you Mike, thank you for the opportunity to be here tonight, Good Evening to those I said Hello to, when you came in. I believe everyone has a copy of the engineer report in their packet. I will just briefly go down through the items, if you see an item I skipped over or if you have a question please feel free to interrupt me and ask that as we go. 1. A. is the HAA issues, nothing big that we have been involved in that is new on that issue. I don't believe I need to report on. Louis can bring that up in his report and I can be available to comment. 2. A. SCWA is on an agenda item further down the agenda so I will pass over that and not talk about it. 3. A. Well 2 Improvements. The flood management permit is still being reviewed by DEP and we haven't received anything back from them yet and again they have no deadline to be able to do that. 4. The Possum Hollow items are essentially as they were last month I believe, A./B. we do have the crossing permits for the two crossing and we are waiting for the final agreement with the property owner to do the temporary drive way permit on Rt. 696. C. The railroad agreement should be any day now, we have sent the check and the agreement like two weeks ago now and they told us that we would have it in two weeks. So I expect that to be soon. If I don't hear from them within the next few days I will see that they are given a call to find out what is going on there. D. ENS permit is still in the hands of the Conservation District we are waiting on them to respond to provide technical comments to that application. 5. Well 4 A. there has been some change, you can see the status there briefly, and I don't know how much detail you want me to go into at this point. The drilling did proceed after you authorized the additional funds last month. The driller was able to advance down to 700 feet, if you remember they were at 500 feet and change when we talked and the goal and the authorized budget at that time was to go to 600, the hope was with a little bit more money they were able to make it to 800. They did get to 700 and there was a production zone in the 630 foot area, once they reached about 700 the going got relatively difficult they were having trouble maintaining circulation in the drilling mud. Because of the production zone at 630 primarily and because the progress was slowed considerably they were to the point of where they were going to ask for more money again, because of the cost of to go further and the decision was not to proceed. It was to wait until we came to this meeting so maybe we can at this point, they have found what they were going to find. There is action needed, I think we communicated with you Michael, that we would like the ability to do the step drawdown test. That is actually scheduled pending your approval for the 25th. The below yield which is obtained by using the air compressor at the site to estimate the Well yield showed 350 gpd that is a rough estimate at best. The step drawdown test is a one day test where the well is pumped at differencing discharge rates to determine what the actual long term substantial yield of the well is. That produces much better results. Much more accurate results on what the well will do. I am aware of the fact that

the 350 gpd is less than your stated minimum desired for that Well. So, you would have to make a decision as to whether you would want to spend the money to do the step drawdown test and get some better data or whether at this point you would like to just quit where we are and not spend that additional money. And I can't say exactly what the cost of that test is, it is about a three day test, it is in the budget.

(SB) The 350 gpd that is what, about a half million a day?

(DH) Yes, a half million gallons

(SB) Is there any benefit to the system with the financial, with the money that we would have to put in to it? If it is only a half million is there any benefit to it? Is it proper stewardship of our ratepayer's money?

(LL) generically, it is a half million more than what we have now. I think that in the future, going forward with other wells, that is probably where we are going to be, with just about any of them.

(SB) So we are blessed in the fact that we have really high producing wells right now, and this is a realistic...

(LL) I think this is a more realistic, what you are going to see out of any future wells. There may be one more spot, that you get lucky and hit a good one, further on down past the business park, can't guarantee that. This is pretty much where we are at.

(SB) What is our current per minute amount out of Letter Kenny?

(LL) We can go to 650 gpd

(MP) We draw 650 we usually pull what?

(LL) We are running around 525 gpd

(SB) So this all but replaces Letter Kenny, pretty close

(LL) um, yeah, that would be a fair idea, yes, the problem that you have with that Steve is that is a half million gallon a day running 24 hours a day. That is not a really good way to run a Well. It needs to be cycled on and off, given rest periods. It is a brand new Well, but you are looking down the road, you have maintenance that is going to have to be done, so it is going to be taken out of service to do that. It shouldn't be anything significant for a fairly long period of time, other than to change the oil on the motor. But you have to take it offline to do that. The water that I saw when I was out there when they were doing the test was dirty, and I expected that. Not sure how quick that is going to clean up if we proceed with that, it could be a while.

(SB) The point of my questioning is, we put money into this project already. And for the possibility of, if it comes back that we have a half million producing well out there, that is usable for our system. Is it worth putting more money into it?

(LL) I think it is worth doing the step test, just to see. Because we have to have some type of yield data to determine whether or not it is going to be cost effective to put a pump and a motor on it and use it on a regular basis.

(MP) Steve, I had a conversation with Dennis and Brendon O'Donnell was the well guy and I asked him the same sort of questions that you are asking. I asked in the grand scheme of things in PA communities, how frequently does one get a million gallon a day Well? Very intriguing, those are rare. What he did tell me and I think I am going to quote him pretty accurately, he said, most communities would consider a 300 thousand or a 350 thousand gallon a day Well to be a good Well and that they would think that was a good investment to develop a Well at 350 gpd.

(SB) And I agree with that, I am not sitting here thinking this is horrible, we wanted more, this is still a water producing Well. It's a lot better than 35 gallons per minute! If that was it we wouldn't even be having this conversation!

(LL) We would have filled that thing up a long time ago! I think we will need to have the step down test to determine what we think we are going to get out of it per yield, how much horsepower we may need to put on it to make it work. And how much is the finished water going to cost us.

(MP) And how far do we have to transport, what is the transmission connection line going to cost?

(LL) It is at least a mile and a half so you have to add that on there to. Just assuming that everything is equal and we are looking at what it is costing us to bring the water out of the well per thousand gallons. We have to

have the information in order to do it. Now I don't like throwing money around to do that, but this is kind of a necessary evil.

(SB) Well, yeah in order to be able to site Well 4 whether it is this location or another location we have to create those expenditures.

(LL) unfortunately, that is correct.

(KB) so the crib note version of this, it is worth looking into further, but even though if it comes out to be positive the way we want it to be, it is still not going to even, it shouldn't be looked at as a replacement for the Water Treatment Plant.

(ET) But it is a step towards it.

(LL) It does give you a path towards that end, but I would not say, this would replace it.

(MP) If we are drawing 500 typically from the pond and we deliver 500, we are pretty darn close.

(LL) yes, but the other side of that is drawing out of the pond that is constant flow, 24 hours a day that is not the ideal way to run a Well.

(MP) This is a separate discussion on terms of replacing the water treatment plant, we are also getting excess or will soon be getting extra water from Well 2. So if we add those two totals together than we are at parity.

(LL) Yes, then you are pretty close to parity, yes.

(SB) And that was the methodology behind these projects that we put in here. That if we do get to the point that we have to do something with the treatment plant then we want to be able to make that decision, instead of having to go to the State and basically get 25-30 million to build a new plant.

(LL) Yes, the thing with the improvements to Well 2, the increased production that we are going to get out of that and with Well 4 say at half a million gallons a day. It will probably be a wash at that point. You really, I am going to be a little conservative here Mike, I don't think we are going to gain any additional capacity. I could be wrong, but I don't believe so. Because we have to look at, yes we are drawing 500 thousand gallons a day out of the pond; however we can to 650, every day. So we really start looking to seriously at replacing source, we need to have a minimum of 650 gpd in our back pocket that we can produce all the time, to make it an even trade.

(MP) gotcha, thanks

(FM) How will this affect the easement requirements, will the Well have protection?

(LL) it is planned 400 which would be worse case scenario. It might be, it could make it smaller.

(FM) that is what I am thinking.

(LL) It could bring it down to something smaller, I don't know, you will have to ask Brandon about that. I am not anywhere close to guessing. It has to do with yield and open space to the bore hole and stuff, its magic.

(SB) Since that is in the budget and we need to basically that is direction, we don't need a motion do we.

(MP) We just thought it would be, since the Well did not deliver what we had been hoping for, that before we go ahead and spend those dollars. I thought it was important that we all discuss it, think about it for a moment and if anyone has a strong objection to doing the yield test then we should entertain that objection. But, I don't think I am hearing any strong objection, so in which case we can go forward as planned. It is in the schedule for July 25 to start.

(DH) It is a three day task, first day they have to set up things, the second day is the pumping and then the third day is demo.

(MP) So by our August meeting we would have a full...

(DH) I would hope so, I think Brandon said that he wanted a week to a week and a half to be able to get the data and bring it back and process it before he gives you any snap decision. He would like to be able to take a look at the numbers and see how it did.

(LL) One good thing that we have is the existing Well, we can use as a sounding Well, to see how this is going to interact in the area.

(FM) You mean the Valley Quarry Well?

(LL) Yes the Valley Quarry Well

(DH) Do we need to make any special arrangements with them that this is coming up?

(LL) I would imagine so, since this is locked. It is not being used but you do have a lock on it.

(FM) It is in a fence isn't it?

(LL) yes it is in a fence.

(DH) do you have a contact there?

(FM) I do, I will send it you.

(DH) that will be great, thank you

(FM) I think Brandon has it I will see that you get it. It is Greg Wilhide, is his name and I think, Brandon has contacted him by email, and kept him up to snuff.

(DH) The next items are 6. A. Lot 6 and 7. A. Phase 3, I think we covered all these bases earlier with Mr. Sciamanna, those are essentially reviewed and kind of ready to go and we could probably return comments to them given an authorization to do so. My understanding is that we are on hold pending the resolution of the issue that we just talked about. 8. A. NPDES was submitted, we were missing data from one of the lab tests and Louis has been running that down it sounds to me now that has been now somehow not to be found. So he is making arrangement to get additional testing so we can get that to DEP. And that is the report.

(MP) Any questions for Dennis? Being none. Okay thank you Dennis for your report.

b. Solicitor-

(FM) I did the usual things I do. I have been working on getting the easements for Possum Hollow Rd. It is taking a little longer than it normally would because of the farms and everything that is out there. Farmers don't like pipes running through their fields, so we are working on it. Dennis has given me some things, the one key easement is if you are familiar with where the paint can is, the property across the road. There is an easement that goes through there, the gentleman I have been in contact with him and I have also been in contact with his attorney. He asked if we could have Rettew stake out the corners so he would know where it was. They did that I think and now I have talked to his attorney and they are in the process of getting back to me. He had asked about any compensation, and I told him that our standard policy is that we don't compensate but we would be willing to provide some water taps if it comes down to that. That would be the quid pro quo for the easement so we are working on these things and we will get them done. We wrapped up the Roxbury loan modification documents, Michael came in last week and we signed them. So now we are paying less interest to F& M Bank for the next 10 years, 2.75%, so that should save the authority some money. In other than that, I have just been doing the routine things that come up as they come up. I did do the agreement with Shippensburg Township and I have sent that off to Mr. Oldt and the township for their review and also in your packet tonight, is the license agreement for the school district to allow them to go to Timber Hill and Reservoir Hill to do their testing. They will have to coordinate with Louis as far as both locations are locked and they just can't drive up there. So that is all unless there are questions.

(DH) One quick comment on the easements, and I think I did send you an email, for the Eberly's there is an additional form that Penn Dot needs for that, I just what to remind you that, that is there and so we don't cause you extra effort.

(FM) yes that one and the two others that we need

(DH) just trying to save extra effort, doesn't hurt to remind when you have the chance.

(MP) Any questions for Mr. Myers? Okay thank you Forest for your report

c. Water Foreman

(LL) Most of everything is there. 1. The Tri- Annual Inspection is still ongoing. 2. HAA5 testing for the quarter will be done tomorrow. John had sent me an email, saying that you all wanted to see the results. That is the color coded one that I have given you there. They still look reasonably good they are still down in the low numbers there. So I don't foresee anything, I don't foresee anything happening.

(MP) let me ask a question that should have an obvious answer but I just want to be sure. So I am looking at 6/22/16, you have results from ALS, what this is telling me though is that you don't have results yet for MicroBac or Mahaffey right.

(LL) That is correct, but given those numbers and ALS is our reporting agency now, and if you look at ALS's numbers and MicroBac numbers, if you go back through this they are fairly consistent within one or two of each other as opposed to Mahaffey which uses a different method and their numbers are somewhat higher. So given, even if we end up with a 22 or a 25 this quarter as the official test result, the tier 2 notice should go away completely.

(MP) Let me make sure I understand what you just said. So, right now we have an ALS reading on 6/22/16 of 12.

(LL) That is at the plant

(MP) At the plant, so where is it at Mongul it is 17, at Roxbury is 16, and Lytle Farm it is 17, so what you are saying is even if that number where to go up to 25, we would still clear the quarterly results for the running average.

(LL) yes, because the violation is currently not an MCL per location, it is our local running annual average that we are in violation of. And if you take, if you knock July off from last year, and add this number, the number should go down and bring us.

(SB) We will be replacing a high number

(LL) Yes, we are replacing a high number and when we did the testing three months ago, the running annual average we were down to 66 and we only had to be to 60 or less, so a number even as high as 25. I have run some scenarios as high as 30 would bring us down under 60 so the running annual average will be done.

(MP) Okay the only potential danger remains that if when the state calculates this running average, if they throw in that doubled number that they refer to. So they take one reading and they double it and they add that in. What if they do that to us?

(LL) The number that is routinely doubled is the last quarter.

(MP) The most recent

(LL) The most recent, in which case they will use two quarters of that plus two previous quarters which actually means you are getting rid of two numbers

(MP) two previous numbers and even doubled, we would be lower than we were before, so even in that scenario we should come out okay

(LL) we should come out okay, yes. My feeling is we get a number anywhere 17-25 we are in good shape.

(MP) You are saying the reading that we get from ALS is 17-25, even if they doubled it?

(LL) Yes we should be in great shape, because it would be two quarters, even though they are doubling that number they are doubling the number for two quarters, so they are dropping two quarters.

(MP) So the quarter that they are dropping would be higher, because even at 25 you are talking 50, which is lower than 60 or 70

(LL) Let's say they were at 25, it would be 50 for those two quarters, you think that those two quarters that they drop we would be probably at 110 or more. So virtually cutting that number in half which would be enough to drop it down below the 60 for the 4 quarters

(MP) Very good

(LL) we are working on repairing leaks, the valve operators for the water plant are on order, they will be shipped the 22nd so probably by next meeting they should be in and operational. I don't remember if I put item #7 in last month's meeting or not but just to remind everybody that is going to have to be a budget for next year. There is a recall on American Darling Fire Hydrants in the years 2006-2011, they have found a deficiency in some of their nozzles, they had two manufacturers that built the nozzles, one of them the materials were not up to speed, so there is a recall. Which does one thing, we have to inspect each one, because each one has a letter stamped on it and that will tell us which manufacturer it is, but in order to do that I have to go out and find

all the American Darling Hydrants. Because they are scattered all over the place, I just can't go to one development and say that is it because they have been replaced. So it is a work in progress, there is no catastrophic failure that is going to happen to these should the fire department need to use them. But there is a metal deficiency and they are recalling them all. Once we come up with a number we will send that to them, they will send us the parts and we will replace the parts and then they will send us so much money for the labor to replace them once they get the parts back.

(MP) Did they tell you how much they are going to send you per hydrant? And how does the number actually match with the labor cost?

(LL) it's probably not going to cover everything, I don't remember the number off the top of my head, I only read the letter once. The number doesn't stick in my mind, but it is not a whole lot but it doesn't take much to change these nozzles out. If it takes 15 minutes then that is a lot of time and they are actually going to provide the tool for it. It is a special tool to take it out and they will give us the tool to change the nozzles. That is something we don't have to buy to do it.

(SB) I have a question on that, how many different companies make fire hydrants?

(LL) How many do you want?

(SB) I am just saying

(LL) I am serious, there is multiple manufacturers and multiple models within the manufacturers.

(SB) Is it realistic that when we are getting our lines dedicated to us with these fire hydrants is there some way when they put them in, they jot down somewhere and it is submitted with the final plans that we have a record of what fire hydrants, I know we are not going to do that now. Is it something that happens in the industry is it a realistic requirement that whenever a development is created that we know, that Fire Hydrant A was put in here and all these fire hydrants are American darling 2010, mark number?

(DH) It could very easily put in the GIS system,

(JE) Be part of the hydrant maintenance

(KB) Wait, we started this new mapping system

(LL) now we started a hydrant maintenance program and part of that program is gathering data like I reported several months ago. We have 585 hydrants in our system, even though some of them are maintained that was just a matter of going out and painting them and making sure everything worked. That wasn't gathering all the individual data, there is a there is numerous points of data to gather and to point them into some sort of a program. So that you can sort them by that and that is what I am in the process of doing. Now unfortunately it does require a visit to every one of those 585 fire hydrants because we have multiple manufacturers and amongst the American Darlings that has been our standard for the last 15 years since I have been here. We have multiple versions of that, the first version and then there was a modification and then there is the latest version where they changed some metals. So those numbers have all changed and we have to get that.

(SB) right and so we are getting all of those, is it realistic to expect moving forward when we accept a fire hydrant into our system, that somewhere there is documentation as to what that fire hydrant is. So that once when you make your list and we bring new ones in. you have got your list and then we got the new ones and then we know what they are, so 10yrs from now you have created your list and we have got 35 new fire hydrants in the system and we know what all of them are.

(LL) It is my intention with any new projects going in as part of the inspection going in all that data will be gathered.

(FM) Would it make sense to put that burden on the developers because they all have to submit a set of as-built plans, with that set of as-built plans they can submit a listing of all the pertinences, the valves the fire hydrants and whatever else they put in there, the manufacturer, the model, etc. either that or else in some point in time change the regulation and say that you have to use this type of hydrant, you have to use this type of valve.

(LL) essentially we do that now in our specifications now, Forest. But hydrants are American Darling that is it.

(FM) So it is pretty easy for someone who is putting in 35 hydrants to generate while they are putting them in that list of the model number the coding, whatever the coding is on the hydrant and provide that to the authority.

(LL) even if I was to go out and do that for the final inspection. They would be billed for my time, so they are still paying for it.

(FM) Well the still have the stuff before the put it in the ground

(MP) it is still your time

(LL) it is still my time, I understand

(MP) if they did it, then it is on them.

(LL) I am not necessarily sure that we could give the contractor the form and say we need all the data on that particular item

(SB) Once you get your project done and we have a list of all of them, then 5, 6, 7 years from now and we don't have another 100 in our system that we don't know what they are. That is my concern once you get caught up and we have something in place so that you won't have to do that again.

(LL) that is my intention as new projects come online that data will be entered when they come online.

(DAN) if it pleases the board, if I could just give some additional information on this.

(MP) Sure, what do you got?

(DAN) About 5 to 6 years ago, Rettew is putting that information in for the GIS system so that information is available so when the developer would finish a project, we had a close out procedure, part of that was to collect the auto cad drawings, the survey drawings, and then put all that information into the GIS system including information on the hydrants, the valves, etc. So you actually have that information in the GIS system now.

(SB) for the last 5 to 6 years

(DH) for the recent projects

(DAN) So any older ones in the system, Louis would have to go out and look at, now the newer ones, that is part of the procedure

(SB) So Rettew has that in place then moving forward, for the newer projects

(LL) that is part of the closeout procedure for the newer ones

(JE) What would you say roughly that time line is? Dennis

(DH) The timeline for?

(JE) for when you started keeping that in GIS

(DH) That would have been when we started as your engineer, most likely so that is in 2011

(JE) So 5 years' worth of GIS data

(LL) you have to remember that in the last 5 years, we haven't had a vast number of projects

(MP) most of the hydrants predate that.

(DAN) About two years ago Rettew took a good bit of additional GIS information that they collected and we also collected hydrant information, valve information things like that so you have a lot of that data available already.

(MP) Very good thank you for your contribution

(LL) a couple of other things, we need to kind of go over in executive session, there is an issue of theft of services; we need to discuss that in executive session.

(SB) It's not the same theft of services from the sewer department is it?

(LL) No, We had a failure of one the chlorine booster pumps at Well 2, this is not the metering pump it is the booster pump that supplies the pressurized water to create the vacuum to draw the chlorine into the water. Which means we are done to one pump, we need to look at one of two options A, replacing the pump as is-going out buying a new pump, sticking it in and going back online. Or B, getting a permit from DEP to inject liquid sodium hypochlorite, commercial bleach that would go along with essentially what we are going to end

up doing when we go to construction anyway. We are going to end up doing that, because we are going to have to take the gaseous chlorine offline. Here again I don't know what the time period is, I am guessing, I am thinking that it might be to our advantage to apply for a the liquid sodium injection permit now. And just start using chlorine bleach instead of gas chlorine. Because we have all the equipment for that it is left over from the construction at Well 1, we are going to be able to use the same pumps and tank and everything that we have for that, so the cost is going to be checking out the pumps and putting them in, that's it. Probably, I wouldn't say more than 8 hours total time. As opposed as to what it is going to cost for a new pump a new motor and then plumbing it in and everything else.

(SB) Then we are going to get rid of it.

(LL) then we are going to get rid of it when we do the construction.

(MP) So you are going to Jerry-Rig it with it older...

(LL) I would say we are going to change the treatment process from gaseous chlorine to liquid

(MP) You are going to do that on a temporary basis until we get the new equipment

(LL) until we get the new section of Well 2 online at which case we are going to end up with a liquid sodium permit anyway. We did that with Well 1, where we took the gas, we had to because we had to take the gas offline so we got a permit from DEP to inject liquid sodium and then when everything came back online they did away with that temporary permit and then gave us our permanent operations permit. That would be my recommendation to do that. go that way because we are not talking about a lot of money for the pump, but if we are going to go forward with the project it is only going to be there for 6 to 8 months maybe a year is it really worth it? So that is my recommendation on that.

(MP) It is a good recommendation and your creativity in solving problems is appreciated

(LL) Dennis will have to do the permit process with DEP my guys are already looking at the pumps that we have we may have to rebuild one only because it has been sitting open air for 5 years. They will test it for and we may just have to go and rebuild it to get fresh gaskets in it. So we have all the equipment for that. We found an issue with one of our chlorine monitors out at the water plant on our post chlorine. It was it is what they call an amperometric device which basically is all electricity to determine the amount of chlorine that is in the water. What we found recently is PH changes in the water, varied the chlorine residual through that particular device so we change out that chlorine residual monitor to a HACH model which basically injects a chemical and you get a chemical reaction to it in color. That method is not affected by PH so it doesn't matter whether it goes from 7.5 to 7.1 or anything like that, where the other one did. As the PH went down the chlorine residual would go down, even though you checked it against the colorimetric unit and it would give you a different number. And it was varying by as much as .2 which is significant when you are talking about a chlorine residual.

(MP) So this chlorine injection is after treatment at the plant, this is before it goes out

(LL) The injection point is in the middle of the clear well, before it goes into the distribution system. The chlorine analyzer is pulling off of the pipe that is actually going into the water system. So you could put of these side by side and they would vary. And the one that we got rid of was the one that was varying the most which is affected by PH, we have had several calls after hours, low chlorine residual at the plant. Because of the number we set in there to send it in to alarm. We get out there and we run a sample against our test bench which is using the colorimetric version and find out that it is off by as much as .2. That is significant when you have to report that number.

(MP) What bearing does this have if any on that boil water advisory?

(LL) we moved the alarm up so that we won't be in that area.

(MP) But before discovering this was in an issue, was it a contributor?

(LL) it could have been

(MP) it could have been but not definitively so

(LL) There is a lot of things involved in that, it is possible that it contributed to it, but we have the new one in, it is online and its, we benched it. Like anything else you have to bench test them and compare the results, every

so often. We were benching the amperometric unit three times a day and still finding variances in it. The new one, yes there is a variance but we are not talking tenths, we are talking hundredths, which is not something of great concern. I mean we are talking hundredths here, so the issue between .005 and .006 you are getting to far to the right of decimal point

(MP) It is like winning the hundred yard dash!

(LL) It doesn't matter as long as you cross the finish line first. So just to let you know that that is out there and it is installed.

(MP) Ok, thank you

(LL) that is all I have the rest is executive session.

(MP) this is the chiller plant

(LL) this is the chiller plant, providing that information, so if you remember, the last time or the time before when I briefed, they paid tapping fees for 28K gallons, the numbers that you see are in 1,000 of gallons. We have not really hit the most significant heat of the year. They are not completely online by their estimates and they are running very close to that. I don't have an average there because we figure that on peak. So that is why there is a daily number there.

(MP) I am not following you here, you do this on a peak, but these are daily numbers here.

(LL) when you pay a tapping fee it is based on peak demand. This is showing peak usage as opposed to demand. They paid for 28k gallons per day, so you can see where the numbers are at. Some days there are a lot more and a lot of this is all weather dependent.

(MP) So next week when it is in the 90's (degrees)

(LL) it will probably go up

(SB) We will see a couple of 30's! So we got the 34, 29, 40 and the 42, 32, 34.

(LL) we have already seen a 65 this year, a couple of months ago. When the university was in session we had that real hot spot in May, we hit 65.

(MP) Why is that not on here? Why does that not show it?

(LL) Ohh, maybe that was in April. This starts June 1st. The students were already out.

(LL) they were already gone

(FM) Do you share these numbers with?

(LL) No

(SB) Remind me of the contractual language or our policy of when basically, of how many days in a row or how many days out of a month does the requirement come in that they pay for additional capacity?

(LL) Divorce that from your thinking in this particular case.

(SB) okay

(LL) that applies to Schreiber, this is based upon peak demand per day, every day, they paid for a peak demand of 28. This is one of those that we argued back and forth over the years as to what this plant was actually going to use and the numbers came down and they said okay we will pay for 28k gallons a day, but they gave us a sunset date of being online fully operational, I believe it is April of next year. I don't believe all their construction is going to be complete at that time.

(SB) so some point we walk in with, two years' worth of dates and the highest one on there is 99 so we basically tell them 99-28 and you owe for 71.

(LL) that is correct and that is in the rules

(SB) okay

(LL) that is also in the agreement that we have with the University

(MP) Thank you for keep bringing this to our attention, it is important that we don't forget about this. And as another year goes by, we may forget.

(LL) I won't say we might forget, if we don't keep it in the forefront. So even if it is a number like this and we look at it every month, it is in the forefront.

(MP) Very good, any questions for Louis? Thank you for your report Louis.

d.WWTP Manager

(JE) Lance has unfortunately unable to produce a report; he has been very very busy at the plant there is a lot going on, other than the routine information that I can't follow as far as treatment of the material. But as far as the plant expansion, there have been some issues that Lance has been absolutely inundated with. There was a concrete pad, if you recall, we signed the agreement to move some poles for \$30,000. Now the pad apparently has not been sized correctly for the blowers that will sit upon this pad. So now it is a matter of who is doing what here. And who stepped on it and who is going to be responsible for all these change orders coming. The engineer designed the pad to fit the blowers and they used a design for a smaller blower but ultimately they ended up with a blower almost twice its size, therefore you can see that the pad space is very limited. So they have been making adjustments to the design now they got to cut pipe and weld it and needless to say Lance Hoover is probably one of the most stressed out people in the borough. It's unfortunate because the man can't get away from this stress, he left as manager...

(MP) I think their engineer would be a bit more stressed.

(JE) I guarantee you after today, they are!

(KB) Who is their engineer, anyway?

(JE) Well it is Hazen and Sawyer who approved it. They are working on that issue that has consumed all of Lances time, also if you recall we had an employee at the plant, having to leave on extended sick time. That person is at the earliest going to be able to come back at the beginning of the year, as we understand. I am not saying anything else that is where it is at, at this point. So Lance has started the procedure as per our solicitor and council to bring an existing employee into a temporary duty position, which ultimately might become a permanent position. So we are working on that as we speak, making some adjustments to a job description to fill that position. Because that is something that Lance has to have, somebody in there doing the testing that he needs to have done. If we outsource it, it is extra time and extra expense and he doesn't want to do that. That is where we are at; at this point we are trying to get things squared away there. There was a mass of email flurry today dealing with this blower issue, I am hoping that next week we will be able to resolve it. I am hoping that we can get past it. It just seems to be one thing after another, just seems to be holes in the way and we jumped through hoops to get that all done. The SBA had to sign off all documentation because the plant is actually owned by the SBA all that was just recorded recently at Cumberland and Franklin Counties. We had to deal with two different counties for recording. Penelec says we aren't doing anything until we get our check. So we are cutting their check and that was because of this pad that now is apparently undersized.

(KB) significantly undersized

(FM) so they might have to move them again.

(JE) They really have no option to put them anywhere else. There is an opportunity to possibly lengthen the pad but not to widen it due to the road right of way. I think that they are at the maximum distance which would be 16 ½ feet for the 33 foot legal right of way. So there is no possible way that they can go wider, so that is an issue. The problem is the control panels are, were designed to be in one area which gave the maximum distance between the blower and the control panel to open these panels and when they found out they couldn't even open the doors on these things. I mean they haven't been installed yet, but by design they couldn't even get in the control panels. So now they changed them to the doors that will lift off instead of swing open. It is still a big issue, it really is and it has become very stressful, especially for Lance because he is dealing with it firsthand. Other than that everything else as far as the day to day operations of the plant, everything seems to be fine.

(MP) Very good, thank you, any questions concerning WWTP?

e. Secretary

(JE) Nicole did provide the members a midyear report; I went over some of it with Michael a little bit ago. Look over these if you have any questions, I think that Nicole, Michael had probably and Steve wants to get together

soon. We will have you guys come in and go over it and see what you think, the scary word Budget is just around the corner yet again. We are almost into August, so we are soon going to be talking about the 2017 budget. But I think she wanted you to see this, she wanted you to be updated, but she also said that she wants to get together with you soon to go over those numbers, so if you have any questions or concerns.

(MP) Steve and I will coordinate on a date that we can get in there and talk to Nicole.

(JE) sounds great

(SB) We will try and schedule it on the same date and meet with CVRDC

(KB) Just meet with Nicole first

(JE) This isn't an agenda item for today, but you have a presentation by Tower Point, this is a group that tries to buy up leases for Cell Towers. I put it before council last week and found out that, with egg on my face it's not their tower, it is your tower. So I a little embarrassed after I realized that, so the good thing is I gathered up everything I gave them and now gave it to you. So you have the same thing that they got. This group, I make it a habit of telling them that we are not interested in these types of things. If they are willing to spend the kind of money that they are talking about to buy out your lease, there is got to be a better silver lining at the end of this for us. So but I told the guy, I said listen, I sent it to the wrong board, I will give it to the correct board, so perhaps at the next meeting you can tell me to tell them No. But I wanted to give you the information, so you can review it. This is not for any action tonight just for informational and perhaps we can bring it up the next meeting and perhaps we will tell the guy that we are not interested. But there will be no kind of decision until at least August.

(SB) My two cents right now is No, because this is what three years later and it is still addressed to Earl.

(KB) I was going to say, three years borough managers later and they still have it don't have the right Borough Manager? Seriously? Go online!

(SB) Automatic Red Flag

(KB) I would agree, I would say it is an automatic Red Flag

(JE) Absolutely, and this guy calls me from California almost every day. And I keep telling him, that I haven't even shown it to the right board, yet. If it is okay, if we even decide that we need to put it on the agenda next meeting or you guys and can just direct me to tell him that we are not interested.

(MP) Well I would like to look at it, so I will give you an answer next time. Let's just make sure it gets on the agenda.

(KB) \$ 800,000 ?

(JE) Yes, but not paid for all at one time

(SB) Solar panels

(ET) Explained how that all worked out for us?

(MP) Any questions for John? Thank you John for your report. So under business items I would like to move these around a bit in consideration of our guests and also because we are going to have an executive session, some of these items are going to be discussed in the executive session. So allow me to suggest that item A. we will deal with first, item B. we will consider second then we will discuss items F. and G. together. Then we will go to executive session and come out of executive session and deal with anything that comes from executive session next item however will be E. does that make sense? Okay let's begin with item A.

6. BUSINESS ITEMS:

a. Consideration to Execute a License Agreement Between the Shippensburg Borough Authority and the Shippensburg Area School District to Perform Tests or Studies for The Potential Placement of a Communications Antenna at Reservoir Hill or Timber Hill

(FM) If you remember Shippensburg School District Representative visited at the last meeting and requested permission to go on to Reservoir Hill and Louis mentioned about Timber Hill, so I prepared a simple license agreement that allows him to go onto that property, and any damages that he does he has to, you know th School District will have to repair, although I don't know what damages they could do. I don't even know how

they do the test but whatever, he would have 60 days to do those tests, this doesn't obligate. The other thing I want to make clear is even if they find the site to be a perfect site for their location of their antenna this doesn't obligate you to allow them to them to locate the antenna there. It just allows them to know whether or not it would work, because that is a whole separate agreement with the School District. So I don't when, I don't know if he has been in contact with you, I have sent this to him and I haven't heard anything back from him, but I will call him again. Basically I am just presenting this, normally we would have them sign it first and then you would sign it.

(MP) So consideration for us to execute a License Agreement, you are not really asking us to do that.

(FM) if you wanted to you could, it is pretty simple thing; I don't think it is going to change that much, in fact I don't think it is going to change at all. I wouldn't recommend any changes to it from your standpoint.

(SB) So if we move it and they don't object to it, then they can adopt it and then we are good to go.

(FM) yes, right

(SB) Motion to execute a licensed agreement between the Execute a License Agreement Between the Shippensburg Borough Authority and the Shippensburg Area School District to Perform Tests or Studies for The Potential Placement of a Communications Antenna at Reservoir Hill or Timber Hill.

(MP) Moved by Mr. Brenize is there second to the motion?

(KB) second

(MP) seconded by Ms. Burrows, any further discussion? All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously

b. Consideration to release escrow funds of Rising Seven's Hospitality LLC for The Holiday Inn Express Project in the amount of \$2320.00

(FM) that was money that they deposited I guess for boring under the road and so forth, there was some engineering.

(LL) There project is done

(FM) There was some engineering and staff time involved when they had to bore under Route 174 which is why they were required to post this bond. You can see they posted their usual \$3000 you can see it was a minimal amount of work on the part of the engineer.

(LL) and essentially it is a giant service line, to service the Holiday Inn and the project is done. It can be released

(SB) so everything has been billed and that is the appropriate amount that is still in their escrow?

(LL) Yes, I haven't looked at this project in several months

(FM) It would be appropriate to release it

(SB) We usually have a report from John or Nicole basically saying here is what is...

(LL) the project has been completed since the Hotel has been opened, what 6 months now?

(KB) at least

(LL) It is appropriate to release the escrow account there is nothing outstanding.

(MP) What is the wish of the SBA?

(SB) Motion to release escrow funds of Rising Seven's Hospitality LLC for The Holiday Inn Express Project in the amount of \$2320.00 Federal Reserve notes.

(ET) second

(MP) Moved by Mr. Brenize seconded by Mr. Tsambiras to release escrow amounts for Rising Seven's Hospitality in the amount of \$2320.00

All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously

(MP) Dennis, let me go to you first. From the last proposals that you showed us at the last meeting, have you made any changes to your proposal?

(DH) I have made changes to one of the two. I am not sure how you want to handle this do you want to do the one project first? We did change the pump station proposal. We did not change the SCWA but I think there is some discussion, and we will handle it any way you would like to handle it.

(MP) Let's deal with the one you changed first.

g. Discuss Engineering Proposals for the In Town Transfer Pump Station (Lurgan) Project-DH

(DH) As Michael said, at your June 14th meeting the board directed us to review our proposal fee because of concern that it was higher than what you would have expected. In response we have made the changes in the document that you have in front of you. That changed our fee amount and I guess we are talking about amounts here in the open meeting and that's okay?

(MP) it's okay with me, Forest is there any reason not to?

(FM) No reason not to

(DH) Reduced it from \$84,200 to \$65,900 we accomplished this reduction by modifying and clarifying scope items. There were several items that we discovered that could either eliminate or change, we discovered that the electrical engineer had indeed included generator design and transfer switch design and we had specifically understood that, that was not included in the base design. There was a couple of other things like that, we discovered in addition to that and those changes and assumptions are listed starting at the bottom of page 3, under assumptions and restrictions so that, that section is completely new and it enumerates some things that we did to try to take away risk and take away some, to clarify the scope to make it clearer and maybe reduce our effort to do that. The other we did is that we went through the entire proposal to find ways that we could; we could eliminate uncertainty and allowances for future changes. I mean every project that you undertake changes during the design process. I don't know if I have ever been on a job that the beginning of a job it was discussed and it went exactly as it was planned and there was no changes to either the scope of the work or to the scope of the design. Every proposal one way or another tries to make allowances for those kinds of changes, both in terms of trying to be generous with estimates of effort to providing some allowances for changes that are unknowns that are just not foreseeable at the time of the proposal. So we went through and we reduced the items that we had provided for allowances of making those changes. As you can see that allowed us to reduce the amount fairly significantly, it is still more than the budget that was in the capital improvements plan. But we think that it is reflective of the amount of effort that it takes to get the project done. Keep in mind that the proposal is still time and expenses, in other words it is an estimate and we will bill you only for the time and expenses that we expend to get the job done. We will not exceed that estimated amount unless you specifically authorize us to do so. Our goal is to complete the project for the budget amount that is provided. My hope is that it would be under that amount, now that reducing it how we have makes that a challenge; it makes that more of a challenge. I think that recent history provides some insight into that, right now, Possum Hollow design is essentially done. It is the only large job that you have undertaken that I have essentially been responsible for, from close to the start of it. That project is nearly complete with only a couple of small tasks to remain to be done and it is currently \$25,000 under budget. So I believe that we have demonstrated that we can get a job a significant job like this done for less than what the budget shows. My goal in providing an adequate budget is not to come back to you with every little change and ask for more money. I think that that is not the way that you or I want to operate and I think that as time goes by and I get your confidence that I am going to do everything that I can do to maintain budgets and to watch carefully over your money. The more confidence that you will have that is the case. As you look and I am not seeing Dan's proposal, and I have no idea what it contains or what the amount it is, but I will just warn you to be sure that you compare apples to apples. It is almost impossible to look at two proposals and compare them straight up. Because they are different assumptions, I have no way to know whether he has included every task that we have included. I want you to be sure that wetlands delineation and endangered species are taken care of for

the sub division plan and legal descriptions are provided for, for creating the new parcel that is necessary for the pump station, that all the engineering and the architectural items are there for the building, that there is a Penn Dot highway occupancy permit and all those things that are going to be required as a part of the design. That would tend to raise our fee amount above what Dan's may be. If he does not have those scopes of items in there, we don't believe that the design project can be done for significantly less money unless one of the following things is true, either some scope items are missing from the proposal is what we just talked about in terms of apples to apples, scope and task identification or less time is spent on the design which means that there is lower quality in the design and more possibility for problems in the future. Or some time that is spent on the design that is not being billed directly to you. And we don't think that that is an appropriate way to scope or complete a project. Our calculated average billing rate for the project is about \$111 an hour. That is an average billing rate, I don't know what Dan has quoted you for his average billing rate, I would have a hard time believing that he can do this professional design for a significantly less number than that. So really it comes down to time, how much time does it take to get the job done? How much time does he have estimated that he has estimated that he is going to take to get it done, verses how much we have estimated. At the same time you asked me to look at the total project budget as well as our engineering fee. And I think since it has such a great impact on the discussion at hand I think it would probably be a good idea to look at that also, which is something we did. This table replicates the probable cause that was in the capital improvements project. The numbers that were in the plan are shown in the next to last column on the right hand side under original that total project cost was estimated to be \$297,000 I went back through this estimate and pulled numbers from comparable equipment that was bid as a part of the Well #1 project and revised our estimate that shows up under the extended cost which is the third column from the right hand side. You can see that our estimate for the construction went from \$215,000 to \$347,000 which is a significant jump and that affects all the other items in the project both contingency and the total cost. So there is a big change from what we can tell and I have had other people in my office to look at this, that we think that needs to be adjusted in the budget. I know that that is a big number; I believe that the project can be done for less, but this is what I would suggest that you look at considering going forward be sure that you have enough money to finish the job. I know that Dan will have his input and opinion about that number but I believe it is closer to the real number than the current budget. My philosophy is to be conservative to be sure that you have a budget that it will be adequate to get the job done and hopefully at the end of the day we will be more than what you actually have to spend. I hope that the numbers are not as high as I have shown, but I think there is a possibility that they may be. One other thing I would like to share to give you an idea of where our current estimated fees stand in relationship to standard fee calculations. USDA publishes a table for calculating professional engineering fees on a percentage of net construction costs. A copy of a table that they use is attached to this document; it is not attached is it actually on the backside, because we double-sided it. So this is a table that is fresh off the internet that we down loaded a couple of days ago so it is up to date. The table is used nationwide and has been used for many years to set engineering fees on USDA projects both water and waste water projects. I have used it for years by previous employers to set fees on projects funded by the USDA. The fee curve, the fee table covers basic engineering services generally drawing and specs but does not cover other costs such as surveys and environmental and other permitting, subdivision properties and etc. So what I have tried to do below on the second half of this page is to show that our currently proposed fee is within in reason compared to this federal program. No project comes in exactly at the curve, these are their averages. But if you take our currently estimated construction costs which the \$417,000 times the percentage of the fee you come up with a base fee of \$40,498 and then on top of that you need to add the extra services which are not customarily included in the base fee amount in the table. Those amounts are just shy of \$20,000 so if you are calculating the fee upon the USDA calculation you would come up with a number that is roughly \$60,000. So this is one way that I can demonstrate to you that what we are proposing is in the realm of what hundreds of other engineers would get on similarly sized projects of similar character. And so that is just some additional

information that I think is helpful to fence in what the ballpark we ought to be in for the cost of the fee for the design and our professional fees. Without going too much longer, I want to stress some of the things we talked about when we had our interview last January. Rettew has been providing these kinds of services for nearly 50 years, to similar authorities and municipalities, we believe you selected our firm because we provided the types of expertise and team experience that you need to get your work to complete your projects we offer depth and breadth of experience that we can provide those services as you need them. And we also are fully funded in the types of facilities and infrastructure, software professional liability insurance, all the things that most utilities and authorities require of their professionals and I think I probably ought to stop there. I am sure you have lots of questions, so I will let you go ahead and ask those.

(MP) thank you for the overview I appreciate it, thoroughly done. So what questions does anyone have for Dennis regarding this proposal?

(ET) I have a question for you Dennis,

(DH) Yes Sir

(ET) I believe that you said the current Possum Hollow Project you are under budget by about \$20,000.

(DH) Right there is a little bit more work to do, so I do not want to lead you to believe that is what the final is going to be.

(ET) Could you tell me how much we spent on that project so far?

(DH) Yes, about \$140,000

(ET) So originally we thought it was \$165,000

(DH) Yes, Sir

(DAN) Can I interject though, that was to include construction, and so is that \$25,000 going to close out the construction on that budget?

(DH) No, that was just the design budget; there is an additional amount that was identified for construction.

(DAN) Where was it identified? I don't think that it was shown in any of those budgets

(DH) This was a budget and agreement that was done in March

(DAN) Okay, then I'm not privy to information

(DH) Yes, it is something you haven't seen

(MP) any other question for Dennis concerning the proposal. Would you like to speak about the second proposal the SCWA?

(DH) If you would like, either way

(MP) sure

f. Discuss Engineering Proposals for the Southern Cumberland Water Association Project-DH

(DH) We elected not to change it because, two projects are totally different. One is a design project that requires a certain amount of effort to provide drawings and specifications for specific items that need to be designed, that quantify the amount of effort pretty well. The Southern Cumberland evaluation is something that is heavily dependent upon how much effort you would like to spend on reviewing documents. In other words we sit here today, and say we can do a report, and it is probably the actual writing of the report and doing that would be a certain amount of effort. The rest of the effort is going out and looking at the facility, doing investigations on the site or in their office gathering data and then looking through papers and documents. Basically the amount of time that you would like to spend is dictated by your budget, we could do a report for probably \$10,000 but it would be a very broad brush, few details, we can do a report for \$20,000 where we spend a lot more money do a lot more investigation, do a lot more reviews, crunch a lot of numbers. It is really the budget for the project is an estimate of how much time you want to spend and is really dictated by your budget. How much time do you want me to spend, because ultimately what I am providing for you is the time of our employees to do those tasks and the amount of the fee will be dictated by that. And we can, when we put together this proposal we understood that you had concerns about when you purchased or took over the Huckleberry Land System and we believed that you are concerned enough that you wanted to do a very

thorough look at this system, so we were generous in the amount of time that we put in to both going out, going to their office, there is time for us to go to their office and look through their files, there is a couple of days to walk around the system, interview their personnel with Louis, to look at their system and then I think I would have to look back through my estimate, certainly a number of days to review the documents we are able to get and crunch numbers. As we stand here today, I don't even know how much data I am going to get from them. It is hard to estimate how much time it is going to take to look at that information. I guess what I am saying to you is that budget can, again our average billing rate is just a little over a \$100 an hour, and we can spend as much or as little time as you would like us to spend on it. I don't want the price to be the decision, well where told it was going to take \$19,000 and we are spending too much time. We will spend as much time as you would like us to spend and what you think is appropriate to spend. If your budget is \$15,000 or if your budget is \$12,000 we can spend that much, that amount of time that would reflect in the amount of detail in the report. And that, and I think that is the message I would like to send and we are flexible on that budget. We can design the report to reflect whatever money you feel is appropriate to spend on it.

(MP) Fair enough, understood, thank you. Any questions for Dennis concerning the SCWA? Being no questions, thank you Dennis for reviewing those two proposals for us. Dan, you are up, will you introduce yourself for the record and I think we will have some questions for concerning your proposals

g. Discuss Engineering Proposals for the In Town Transfer Pump Station (Lurgan) Project-DAN

(DAN) Dan Hershey President of Hershey Engineering, and would you like for me to review them, has everyone had a chance to look at them, I think they were in the packet. I didn't bring a whole bunch of supporting numbers, I think what is in the packet, and I just want to address some of items that Dennis brought up. As far as scope items, I think that everything that you are in route of all, is there within the proposal, wetlands, structural, architectural, highway occupancy permits, sub division plans, survey it is all in there, there is a cost for all those items. My proposal is going to get you the pump station built, it is not going to get it built, and it is going to get it designed so you can get it built. My price is the price in there; you are not, absolutely not getting lower quality because it is a lower price. I know the system; I know the project and even Dennis said a lot of those prices are from sub consultants, or the sub organizations within Rettew. I am able to use people that are right sized for this type of project. So it is not a matter of that you are going to get lower quality, you are just going to get just the same quality of work the whole time that I was down here as your engineer. So there is not going to be any time that is not billed to the job. I think \$40,000 is a tight budget, I think with some of the numbers he talked about is 20% would have been a better percent of engineering for this size project however; I was a part of setting that budget. So I will honor that original budget of \$39,000 so that is what my proposal is for, it is for a lump sum that is what I would do the job for.

(MP) Okay, so what happens with a change order? If something comes up and it is not in the original understanding that your proposal covers how do are we going to deal with that?

(DAN) So if it is something that is outside the scope, I would look to do that as an additional service. I think that is the same as Rettew would look at. We try to define the project best, but this isn't something well like if we decide that the pump station needs to shift over here, I am not going to come back and look for an extra. This is for if we go out there and we decide look we can't, we designed the project and we can't get on this property we have to move everything over to the other property and actually do the subdivision there. Now we will look for an additional service. We are not going to get that far down the road that we are going to have that kind of problem.

(MP) Okay

(DAN) does that answer your question?

(MP) Answers my question, anybody else have a question for Dan?

(SB) I just want to further clarify, because it answered your question. I just want to clarify, unless something happens where we decide to change the project in midstream or the project is changed because of circumstances beyond your control the lump sum, is the lump sum

(DAN) correct

(SB) okay

(KB) The one question that I have, because of how much you vs. Rettew is counting in, and how much time it is going to take for the design. The one thing discrepancy that I noticed, that I am not really sure that there is a tremendous amount of wiggle room with, is the Highway Occupancy Permitting, there is a substantial difference between these two proposals, it is a significant difference. So I am trying to figure out how, this difference.

(DAN) I don't know what the difference is exactly, but

(KB) There is a \$3,000 difference between the two.

(DAN) Do you know what type of permit, I'll say what we are doing, we are doing a minimum use highway permit for the access drive that would come out from the pump station and \$500 is more than adequate to cover that permit. I don't know of anyone else here that has experience can speak to that, John? Have you run into it?

(JE) I have dealt with lots of HOP's in my ten years, minimal use driveway is all we do is go out a pound a stake in and Penn Dot would come out, now if there are site distance issues then they would indicate that the bank would have to be shaved as far as anything goes as engineering, I don't see that there is anything...

(DH) I know included in our proposal is somebody coming to the site and doing site distances it includes doing...

(KB) So your amount is just not the permitting costs, you have some man power hours in there as well.

(DH) Absolutely

(DAN) Kerri, if I can clarify, ours does too, that includes the man power to get the permit, prepare it and submit it to Penn Dot

(SB) But your contention is that you believe that this particular job calls for what is basically a residential the equivalent of a residential driveway

(DAN) Yes it is a minimum use driveway

(SB) it is the equivalent of a house

(JE) It would be the same type permit

(SB) so to ask John since you have that experience before, is \$500 reasonable for somebody to be paying for, is there a lot of expense for...

(JE) I am not going to get in the middle of a bid war here, but with my experience in dealing with HOP and dealing directly with HOP, it has been a very minimal issue, in fact we would do the site distances ourselves at the township and Penn Dot would come out and kind of verify it. You go out to your site distances you go out to where you can see by the height that is required by Penn Dot and in what lane and we measure it out, they would verify it and that is how it works.

(KB) I am not trying to get in a bid war either, that was just one thing because of the way it is worded on both of these proposals, I couldn't figure out why the discrepancy is so different because I mean it's...

(DH) I am not sure that I have a good answer for you, I don't personally do these things, I have folks in our office that do them all the time, I do know that knowing that this is done and done correctly is important. If we proceed with a design and based upon a incorrectly done HOP that it could force the driveway to be changed after the design is already started, it is important that it be done right. I know that our folks do a sketch that goes in with the permit. Can it be done cheaper? I can't honestly say because I don't do them and I apologize.

(KB) Honestly, here is the position that I am in, I mean obviously Rettew is the agency that we have had for years and we trust them for a good portion of those years that we have had them. Dan was the one we dealt with so we trust him, so it is not a matter of who we think is going to, we know that you both are capable. I know that you are both capable, let me rephrase that, what I didn't understand is why there is such a significant difference, his is being a \$500 dollar proposal, yours is a \$3500 proposal to me that screams something is not equal.

(DH) Somebody made a mistake or
(KB) something is not equal
(SB) I think Dan thinks it is a banana and they think it is an apple so based on, and who knows which one it is but Dan is quoting it based on being an apple.
(KB) right and some of these other proposals, I mean the design itself is a 50% difference which it is what it is, this is what a 600% difference? I mean that is why it stuck out to me.
(DH) Again, we are only doing to charge you for what we do. It is in time and expenses, if we spend \$500, you will get charged for \$500 if that is all it takes. If it turns out to be a simpler process then that is what it will take.
(KB) Right and I do understand that, I want you to understand that I get that Dennis, that there is a decent chance that you can come in under budget where with Dan's proposal he is already said that there is not a good chance that you are going to come in under budget.
(DAN) The budget is, if that goes over then that is on me, that is the set fee. I will say very few, there is always the possibility of coming under budget, but normally the budget is what the cost is. I wonder why it went from \$84,000 down to \$66,000 in a month.
(DH) I think I did explain that
(MP) He did explain that, I don't think I am going to go there
(DAN) I am sorry that is inappropriate
(MP) Dan, for everyone's understanding let's put it on the table one more time, you are saying that you can do this job \$39,000 flat, it is not going to go over that, if you get into it and find that you have erred in your estimation of how much time it will take to get the HOP permit you are still billing us \$500 to do that.
(DAN) correct
(MP) if you make an error it is on you, you said that
(DAN) correct
(MP) okay got it, thank you
(JE) Just to clarify a little more about the driveway Kerri, they are talking about the land development, the design of the driveway and the location will be dealt with the land development level, the permit is just for Penn Dot to come out and say okay, it's okay to put it there. So it is usually a placement of a stake and the site distances that are required based on a speed limit. And it is a one page application
(LL) and this location, here again there is a possibility that the driveway may have to be moved because of site distance issues. I am not saying it is, but it is a possibility because I have in my brain an idea of where this driveway is going to go and but because of the speed limit being 45mph in this particular situation and since you are on the downside of a hill, and you have a curve that there may be site distance issues, I am not sure. I would leave that to the professionals.
(SB) And maybe I am getting confused about something that shouldn't be confusing. If you don't move the driveway then you don't even have a HOP permit do we?
(LL) I am not sure whether we have to, what I am saying is because it is on the downside of a hill because of the speed limit and because of the curve, it may be an issue.
(SB) okay
(LL) I am hoping it is not but the possibility does exist.
(SB) What you are saying is we might not even need the HOP permit
(JE) no you are going to need it regardless
(SB) because we are changing the building
(LL) no there is not building there
(DH) There is no building there's no driveway.
(SB) oh so there is no driveway there now
(LL) the only thing we have there right now is a pit
(FM) just pull off the road a bit

(LL) we just kind of pull off the road onto the easement

(SB) put the 4ways on

(LL) that is exactly what happens

(MP) Dan would you speak to your second Proposal SWCA please

f. Discuss Engineering Proposals for the Southern Cumberland Water Association Project-DAN

(DAN) We have been talking about the SWCA for 5 to 6 years now, so I know the system very well. My proposal is to give you what I think you need in the form of an engineering report and with the optional additional financial look at it. Because I think that is another a big component of it, to give you the report and the information that I believe that you need to make a decision if whether it is a good idea for the SBA to acquire the SCWA and that is what my proposal covers. And I think I tried to lay that path out in a step by step fashion

(KB) just for clarification and for people who don't speak engineering i.e. me, the engineering evaluation is your report.

(DAN) correct

(KB) The acquisition feasibility is your opinion whether or not it would be feasible or a good idea for us to acquire it?

(DAN) based upon that information we would give you our recommendation, it's not saying that if you should do it, but if there is anything out there that would stop you from doing it or any big pit falls along those lines.

(KB) I am a little bit to confused as to why we would want you to evaluate and then not tell us whether...I don't understand

(SB) I think he is giving us the option that if we want the information and then if we want to, us and Louis and John and Dennis to look at it then it's going to be \$5000 less to do that, is that ...

(DAN) well, yes let me just back up one. The first part is engineering only. So it is going out to look at the engineering components of it. The second part is putting the dollars to it. Doing an asset based evaluation on the assets they have in the facilities and then looking at income based so you can see what the impact is to your rates and to their rates in order for it to be viable. And I broke it up that way because my understanding was that Rettew's report is only the engineering component so you are actually missing that financial component to it. So that is why it is in two separate parts. So Kerri if you just go with the engineering that would be one report. If you also want to see the financial it would just another couple chapters more of charts and tables within that report that would provide that financial information for you. Does that make sense?

(KB) yes and Dennis is that an accurate? I am looking here reading that actual thing, I guess that is probably true and actually I guess that is actually what we asked for Rettew was, was for what they proposed for so, I was kind of lumping it all into one thing and it is truly not. So I wasn't comparing apples to apples, okay thank you Dan.

(DAN) you're welcome

(MP) Any other questions for Dan concerning this SWCA proposal? So here is what we are going to do gentleman, we are going to go to executive session, we have other things to talk about. We are going to talk about these proposals in executive session as well. Come out of executive session in executive session, as you know, we cannot come to consensus and I am not going to ask anybody for consensus in there, we are just going to talk, if anybody has an opinion they want to express that is a chance to do it off the record so, so that everyone is protected so to speak. Then we will come back in if somebody wants to take an action on these they will make a motion to take that action. That is how it is set up, also in executive session we are going to be discussing other matters relative to UBP legal matters and also Louis has a theft of services issue he wishes to discuss in executive as well. So now it is a practical matter about the best way to handle this so, I suppose SBA

6.Executive Session

(JE) We are back on at 9:35pm

(MP) okay 9:35 and we have returned from executive session, where upon we discussed some engineering proposals and we discussed some concern of theft of services and we also discussed legal matters pertaining to UBP. So we are back to our agenda and we are going to pick up where we left off. And that is with item F.

(LL) C

(MP) yes C, thank Louis, I got off track here, yes item C

c. Consideration to release escrow funds of Cumberland Valley Regional Development Corporation for the CVRDC Phase II Project in the amount of @2505.00

(SB) Motion to approve that release

(KB) Second

(MP) moved by Mr. Brenize seconded by Ms. Burrows that we release the escrow funds to CVRDC any further discussion

All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously

f. Discuss Engineering Proposals for the Southern Cumberland Water Association Project

(SB) I would like to move to accept the proposal from Hershey Engineering Inc. for the Southern Cumberland Water Association Project and direct staff and the president and implement that work to begin.

(MP) Moved by Mr. Brenize and is there a second?

(ET) I will second that

(MP) second by Mr. Tsambiras any further discussion? Being none, let's call for the vote.

All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously

g. Discuss Engineering Proposals for the In Town Transfer Pump Station (Lurgan) Project

(SB) I would like to move to accept the proposal from Hershey Engineering Inc. for the In Town Transfer Pump Station Project and direct the President of the SBA and staff to move forward with the project

(MP) Moved by Mr. Brenize is there a second

(KB) I will second

(MP) Second by Ms. Burrows, any further discussion? Let's call for the vote.

All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously

d. Consideration to release escrow funds of Cumberland Valley Regional Development Corporation for the CVRDC Phase III Project in the amount of \$1918.50

No action taken

e. Discussion to repair/replace 2005 Dodge Truck damaged in accident on 5/23/16

(JE) I have provided all 78 copies to the board; I thought it was very important you had all the information in case.

(KB) so point me in the right direction, which one should I, which one is the lowest one since I literally spent an hour trying to decipher these?

(JE) Let's start with the SBA concern last month.

(KB) the amount of money

(JE) Why won't the insurance company total this vehicle? You said go find out and tell them we want it totaled. Well simply said, we want you to total it and they said fine.

(KB) I saw that, it was funny they said, if you are going to keep the vehicle, we are going to give you \$9,000 but if you are going to say that you don't want it anymore then we are going to give you \$14,000. I have seen anything so idiotic in my life.

(JE) If we decide that we are going to not repair that would be an option that we have to deal with or if we decide we are going to keep it. But it's all a different amount but ultimately if we total the vehicle we say come and get and we get our stuff out of the glove box, they give us \$14,056.

(KB) which is slightly under market value for PA, but whatever

(JE) They were absolutely willing to work with us on that in fact they are kind of asking us for an answer and were willing to wait until tonight. The total amount that we would get towards a new vehicle if we go that route will be \$14, 056. With that as you are aware the quote to fix is roughly \$13,000 that is based upon best guess. Upon looking at the vehicle although it would appear that the cost will probably exceed that amount, because they are probably going to find several unknowns with a big heavy duty truck like that with a bed, the wheels, and the axle was completely knocked sideways if you recall.

(KB) and looking at the maintenance schedule that we had last time based upon the vehicle; I don't know what kind of sense it makes to put that kind of money into a vehicle.

(JE) it is a 2005 vehicle

(KB) so we are looking at proposals to replace the truck?

(JE) right if that, that is an option, if you choose to there are several estimates in here.

(KB) so point me to which one, give me a page number

(JE) Well the two Fords from Keystone Ford, one is a 2015 model and one is a 2016 they are almost identical in price in fact actually the newer body style is cheaper

(LL) the 2016 is cheaper

(JE) this estimate is very thorough it includes dealing with the plow the rhino lining it is all in it. Shively Motors the vehicle that we will be replacing if we choose to go that route is a Dodge. Not that that matters but two proposals from Keystone are Fords, Shively Motors it was a total of \$42,675 and the 2016 model for the Ford is \$44,345. As Louis and I were reviewing these reviews, these estimates from this company down in York we realized that there are things missing off of it. They have no Rhino lining placed on there, so you will be adding costs to that, so we are not even sure if we should be considering those at this point, if we move forward.

(KB) so if we are doing apples to apples, the one from Shively Motors looks like this Keith truck services is where they are going to get some of the after products. So we would have to \$42,675 and the \$13,575 together?

(LL) No,

(JE) The all in price is the \$4....

(KB) What is this \$51,335? Okay that is before Costars, okay never mind, I answered my own question. So the bottom line for the Dodge is \$42,675 and the bottom line for the Ford is \$44,345.

(JE) yes, you can see they are very comparable in price

(KB) and there is literally nothing more on the Ford than on the Dodge?

(LL) no, we quoted them

(JE) They are different fleet vehicles, Dodge and Ford are going to have different options but they are the same option

(KB) but I mean like the plows are the same size and all that kind of junk.

(LL) Yes, we specified and they each quote the same plow, they each quote rhino lining in the bed

(KB) so what is the J&J uplift, what is that?

(LL) that is the service bed

(JE) the body

(LL) taking the body off of it and putting the service bed on it

(KB) does it do anything fancy?

(JE) It is what holds all their equipment all their tools and all their materials

(KB) Yes, because it is the bed of a truck, but uplift

(LL) it is just a term

(KB) so is it raised?

(LL) No, it is a term that they use for

(ET) if we cut out the air conditioning will it save us some money?

(LL) no, it will actually cost you money to take it out, seriously I asked them about taking out the automatic transmission and putting in a standard transmission in, it costs you money to put a standard transmission in. and the same way with any of the other comforts, you take the air out it costs you money to take the air out.

(KB) when it comes down to the nuts and bolts you figure with the \$14,000 that we are getting with the insurance that still leaves us somewhere in the ballpark of the \$28,000 to \$30,000 that we need to come up with.

(MP) At 42 it leaves 27, at 44 it leaves 29

(LL) yes, less than \$30,000 for either vehicle

(MP) Here is the question as I see it, now we have time review these numbers with John and think this through a little bit. Here is what it comes down to, you can spend nothing and put that truck back into service and keep using it and spend nothing. Or you take that damaged truck and you total it and take the insurance money for the total and you spend an additional 27 or 29 thousand dollars to get a new truck that you put into service. So again, I know it is a really funny thing, I find these things interesting when we spend money. When you spend money on a house and it has such a big price tag on it, when a subset of that house costs \$10,000 you kind of lose track of the fact that you are spending \$300,000 here, you are going to add another \$10,000 to it. So we just went through an exercise we put poor Dennis through the wringer in order to save a few thousand bucks on a couple of engineering proposals and here are we are just going to go and spend \$28,000 on a truck that maybe that we don't need.

(LL) The other thing is Mike that you are still going to spend anywhere between \$8,000 to \$13,000 to repair it and put it back on the road and you have got an 11 year old vehicle with \$122,000 miles on it.

(MP) and if the car hadn't been hit, it would still be out there and I am not sure that we would have this discussion about replacing it.

(KB) But should it still be out there? That is my question, my question is,

(MP) That is a whole other exercise

(KB) that is a whole other exercise and we explored that exercise already with putting our fleet on a replacement schedule. I saw the repair costs that that specific vehicle. I agree some of it was general maintenance oil changes that kind of stuff. I also saw pictures of this vehicle. I saw the damage that was done just because you can fix a vehicle doesn't mean that you can make the vehicle whole again. That vehicle will never be what it was before it was crashed and that vehicle before it was crashed doesn't necessarily mean that it wasn't a vehicle that should have been replaced. I mean honestly I can't believe we have an 11 yr. old truck in our fleet that to me is shocking.

(LL) that's new

(KB) that to me is just shocking, I understand what you are saying Mike, I really do, but I think in a lot of ways in order to increase productivity and to save money sometimes you have to spend money. In my opinion a 2005 vehicle that was wrecked in the way that this vehicle was wrecked looking at the damages that were done and how much money they are willing to give us if we keep the vehicle. When we know the cost to repair the vehicle is about \$14,000 they are willing to give us \$7,700 so we are going to spend \$8,000 of our rate payer's money to repair at a minimum \$8,000 of our rate payers money to repair a vehicle that should not be drivable.

(ET) let me just correct you on that. Okay, yes the estimate is \$7,700 but when they get it into the shop and they start realizing, hey you need this, you need that, the insurance company is going to send a supplemental payment.

(JE) Yes

(ET) Okay but if that cost goes beyond \$14,000 and I am not sure of this, but I believe the insurance company may say...

(KB) they could total it at that point and then we would only get the difference of what the auto body shop didn't have into the work already.

(ET) right

(KB) that is a potential possibility

(ET) And you said something, like you don't understand what the difference is between the \$7,000 and \$14,000. That is them actually buying the vehicle back from us.

(KB) they are giving us market value

(ET) Now, let's say that we do fix this thing for \$14,000 and here again, she is right we still have a 2005 and you said it was the axle on this thing?

(JE) The entire rear drive, the axle was completely knocked almost 90 degrees

(LL) it was, one of the impact points was in front of the left rear wheel, it ripped the axle off of the springs on the left side, it broke at least one leaf spring, maybe two on that side. It twisted it on the passenger side and broke at least one or two leaf springs over there. So I mean it went from being straight to almost 90 degrees, or 45 degrees, not to mention the fact that I don't think the frame can be straightened properly.

(ET) I have this sneaking suspicion we may spend \$14,000 to repair this thing or whatever the number happens to be, and we are going to find more repairs in the future, as bad as this thing sounds.

(KB) well you can tell how badly it was damaged just by the pictures and listening to what Louis was saying before

(MP) Steve what do you got?

(SB) My thoughts are I don't have any problem with the age of the vehicle or the amount of miles. If a vehicle is properly maintained, the age and the miles really are not an issue. I drive a 1998 Jeep I have a tire behind my seat to keep the seat up and had to get some body work underneath it. Long story short, my concern is the axle and that is really, and if it was my vehicle and I had axle issues, I would not want to drive that vehicle anymore. I would not want to put people at risk in that vehicle because of the nature of the accident. I mean if we were talking about somebody hitting him on the side and it was all body work, we weren't talking about any major mechanical thing on a work truck and I these vehicles aren't going, they are going off the road, and some of our locations are not paved. So I don't feel comfortable repairing a vehicle that has major rear axle damage. I stopped over and met with Mr. Baker and looked at the vehicle, everything on the side no problem at all, but the very fact of where the impact was and the damage it did to that rear axle. We either have the if we can fix it, then we have a vehicle that basically we put the rear axle in but we are trying to do it under a certain budget, so how does that rear axle actually tie into everything else with the drive shaft? How do we know that there is not a bend in the drive shaft?

(KB) It is a well-known fact that once a vehicle is wrecked. Even if it can be fixed the vehicle is never the same. I mean it is just not it is just not, I mean it just isn't, even if it is body work and I agree with you, body work is body work. In my opinion there is I can't even really honestly see the other side on this one.

(ET) is there things on the old like the blade, is there things that we could salvage

(KB) the plow

(ET) like the plow

(JE) the plow wouldn't have been on the vehicle,

(ET) Well let me say do we have to buy a new one?

(JE) well this one would be coming with a plow, correct

(KB) That is what he is saying if you could take the cost of the plow off, why would we be getting a new plow?

(LL) I am not sure, I know if we were to get the Ford the existing plow would not bolt up. The newer Dodge's have a different set up, so I am not even going to guarantee that the old plow would bolt up to a new Dodge

(JE) and I am sure that, that plow and the system that goes with it is factored in to the \$14,000. We start pulling parts off and they come and get the truck and they will know we were taking stuff off of their truck. They are going to tear it apart and make money on it, off a super duty vehicle like that there is no doubt about it.

(LL) Yeah, they are going to tear the motor out of it and the transmission out of it and whatever else.

(ET) Well I wouldn't return it with the plow on it.

(KB) That is what John is saying that is factored into the replacement value.

(SB) was it factored in?

(JE) I am sure it is, Steve

(SB) I know it would be factored in if it was our insurance, because our insurance person would know that our vehicle has a plow, but how does their insurance adjuster know that there is a plow on that vehicle?

(LL) They can see that the hitch points are on it.

(JE) the hitch points are on the vehicle year round

(KB) So I know that there has been no consensus or general vote but do you have any reason personally in your, because essentially this is going to be your departments truck, do you have any points as to why it would be worth the extra \$2000 in your opinion for a Ford vs. a Dodge?

(LL) I am absolutely fine with either one

(KB) that is not what I asked

(LL) why would I want a Ford over a Dodge in this particular case? No particular reason, the reason we have those in there is that anytime in the past when we looked at replacement vehicles I have always gotten quotes on all three, because I have no, we have a Dodge Fleet that was based on when we had a mechanic. But right now it doesn't matter, you can give me a Dodge or a Ford, I don't care.

(MP) Once the vehicles get past their warranty service period, all the vehicles are being repaired or maintained at Boyo

(LL) even prior to that, because they do warranty work

(MP) so it doesn't matter if it is a Ford or a Dodge in terms of the service you get, it is no added burden to go to another shop. So we have this issue in front of us, are we going to repair or replace the 2005 Dodge Truck that was damaged in that May 23rd accident?

(KB) I motion to replace the 2005 Dodge Truck that was damaged in the accident of May of 2016 with a 2017 Dodge Ram regular cab as spec'd out by Shively Motors dated June 21, 2016 with a Costar price of \$42,673.

(ET) I will send that

(MP) Moved by Ms. Burrows and seconded by Mr. Tsambiras any further discussion? I would just like to point out that to pay for this, we would take those funds out of our general operating fund and we have a contingency line item in there, the contingency line item is in the documents which you all just received today, it is the last one on page number 6 under the mid-year report. Line item 60-00-499-000-499 contingency balance of \$196,987 so we would be pulling it out of there, because we have nothing in the line item that would normally be the line item that would be used for replacing vehicles, there is zero net line item within that budget. Just some background as to where we would pull those dollars from. So any other discussion, Being one, let's call for the vote.

All those in favor, all those in favor consent by saying "aye"

***unison "ayes" are heard, those oppose no ***silence

(MP) motion carries unanimously, John you know what to do

(JE) yes, I will make sure it happens

(LL) we are looking at 60-120 days delivery and we may end up with the 17.

(KB) well that is what the quote was for the 17

(LL) I was thinking it was the 16

(KB) we motioned for the 17 because it was less

5. Financial Review

a. Consideration to approve Shippensburg Borough Invoice for June 2016

(SB) Motion to approve the invoice and acknowledge the transfer of funds has taken place

(KB) second

(MP) Moved by Mr. Brenize and seconded by Ms. Burrows

All those in favor consent by saying "aye" ***unison "ayes" are heard

Any opposed No? ***silence

Motion carries unanimously.

7. Any other business

(LL) no, I beat my horse to death

(MP) Angelo? Kerri? Steve?

(SB) Actually as I was driving around do we still have a sign on the road leading to Gunter's even though we don't have anything up there anymore, is there a reason why we haven't taken our sign down since we don't.

(LL) we just haven't taken it down, do you want it taken down?

(JE) Do you want it removed?

(SB) it is not ours anymore so in theory, if our sign is up there, that somebody could use that as reason to file suit even though

(KB) Let's be honest they could file suit regardless

(SB) so the sign doesn't basically imply any type of, okay, I was just out there and I saw the sign

(MP) John?

(JE) are we going to go back to the one item?

(KB) it was E, we just removed it, no action was taken, D. phase 3

(JE) that is all I had Michael, just wanted to clarify

(MP) Dan?

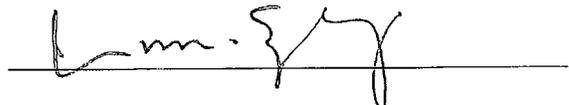
(DAN) I just want to say thank you, and no new business, just thank you and I look forward to working with you.

(FM) I have nothing

(MP) thank you Forest, motion to adjourn would be appropriate

8. Adjournment

(KB) Motion to adjourn,

A handwritten signature in black ink, appearing to read "L. M. ...", is written over a horizontal line.

Secretary

Next meeting August 9 2016

BOROUGH OF SHIPPENSBURG

BOARD SBA

DATE 7-12-14

Name

Address

Name	Address
DAVID Sciamanna	575 Montgomery Ave CKbg 17008

