

Shippensburg Borough Authority

Agenda

August 9, 2016

7:00 p.m.

Roll Call: _____ Michael Pimental, Chairman
_____ Steve Brenize, Vice-Chairman
_____ Troy Pomeroy, Member
_____ Kerri Burrows, Member
_____ Evaggelos Tsambiras, Member
_____ Forest Myers, Esq.
_____ Dennis Hammaker, P.E.
_____ Louis Larson, Foreman

1. Public Comment
2. Consideration to approve meeting minutes of July 12, 2016 1-28
3. Reports:
 - a. Engineer
 - b. Solicitor
 - c. Water Foreman
 - d. WWTP Manager
 - e. Secretary
4. Business Items
 - a. Consideration to Execute 5th Amendment to a Joint Agreement Between the Cumberland Franklin Joint Municipal Authority, Twp. of Southampton and Borough of Orrstown, Franklin County, Twp. of Shippensburg and Twp. of Southampton, Cumberland County, And the Borough of Shippensburg and the Shippensburg Borough Authority 29-31
 - b. Consideration to establish project and preliminarily approve a water request of Shippensburg DDP, LLC - 200 GPD (New 9,100 SF Dollar General Store) 32-34
 - c. Southern Cumberland Water Association Project Update and In Town Transfer Pump Station (Lurgan) Project Update by Dan Hershey, Hershey Engineering, Inc. 35-37
 - d. Consideration to Upgrade Snow Plow System for New SBA Truck 38-42
 - e. Discussion of how the SBA Can Provide Information to Customers about Water Safety 43-50
 - f. Follow Up on Tower Point Offer to Purchase Tower Lease 51-58
5. Financial Review
 - a. Consideration to approve Shippensburg Borough Invoice for July 2016 59-99
6. Executive Session (Legal Matters pertaining to United Business Park)
7. Any other business
8. Adjournment

Next Meeting
September 13, 2016

Shippensburg Borough Authority Minutes

August 9, 2016

7:00 pm

Present:

Michael Pimental (MP)	John Epley (JE)	Forest Myers (FM)
Steve Brenize (SB)	Kerri Burrows (KB)	Louis Larson (LL)
Troy Pomeroy (TP)	Evaggelos Tsambiras (ET)	Dennis Hammaker, P.E (DH)

Absent: None

1.Public Comment: Dave Sciamanna (DS) Dave Thomas (DT) Mickey Nye (MN) Brendan O'Donnell (BO) Scott Brown (SB) Dan Hershey (DAN)

(DS)What I realized after last month's meeting was that none of the board members really have had the, they were not here when we started this project and I thought it would be helpful to put it in perspective here. About where we are and how we got to where we are and where we would like to get to with your support. So what I did is I put together a very quick overview of some of the highlights. In 2004 we started working with your staff and if you look at attachment 1 you will see at the time that CET Engineering Services. We came to you before we started the Park and we said we want, this is what we want to do, could you please tell us how we can get water to the park. So your engineer and your Bill Wolfe who was the borough manager at the time, they looked at options and they came up with what they recommended for us to do to increase water to the park. So, in 2005 based upon that option your solicitor and our legal team developed water extension agreement which again is in the packet and an amendment to the agreement, which is a slight modification of what the expectations were. But what I want to point out is that, this started out as a very good cooperative working relationship and if you read the whereas, the whereas clause, and I have extracted this from the agreement, but the authority will benefit from the developer constructing a significant portion of the water extension at no cost to the water authority and the authority will benefit from the developer constructing a portion of the water line on behalf of the authority and the authority will benefit from the additional connections and the additional users fees from the development. We worked with you to, not only install the new water lines down Mainsville Rd but we also installed a portion of the line to save the authority money then you ended up reimbursing us for that, so that is what that means. The benefit will reference to the additional connections and benefit constructing a portion of the water line on behalf of the authority. The other thing is that the, the other whereas is that the authorities choice of location and water line known as option 3, was your design that we built and paid for and we also dedicated a right of way. the understanding was we would not be responsible for any additional water line extensions at the time you were thinking about putting a water tank on our property and using that additional pressure and building a line under 81 and we only owned 256 acres back then and you were going to put a line under it, if you wanted to do it. The point was it was up to the authority, they decided not to do it, because they ended up putting the tank up on Timber Hill. That is why you never utilized that right of way on our property and also the agreement talked about the on 6B. We set up a reimbursement agreement and that was in 2005 but in 2008 is when the actual, the authority actually assumed responsibility. Now when Duke engineering, when Duke Realty was looking at the property under attachment 3, you also ran some models for us and if you look at table three on attachment 3, you will see that the, you had maximum gallons per minute of all the hydrants that you ran the model from, you can see that we were looking at anywhere from 29 to 33 hundred. So these were your numbers that your engineer gave to us based upon the existing, the alternative fire analysis must perform the considered the post development but did not include the storage tanks. So that fact is that we always assumed based upon your information that we always had adequate water

to serve the park, so this was and in 2008 when we finished the project, Earl Parshall sent me a letter and he outlined and it is in here how our tap fee was based upon final costs, how our tap fee was determined the 5 hundred and eleven dollars we were to get three hundred and sixty five dollars in fact Mike you gave me a check when Sheetz signed up based upon this formula.

MP: yes

(DS) What I also want to show you is that since 2005 or 2007 when we did the project that was a result of the reimbursement agreement, we have gone ahead and we have done two other phases which you have approved and accepted the water lines. And the third phase which is what we need to approve now and we would like to obviously discuss that a little later on is another 247 thousand. When we are done with this phase of construction we will have built and dedicated 1.4 million dollars' worth of water line to the SBA okay, so we have invested an enormous amount of money into the water system and now we need to obviously get people to hook up and use the water and sell land in the park. If you look at the right hand column of the total projected cost on attachment 5 you will see the total that we have invested into the park, land acquisition, engineering and legal, infrastructure and to date we have paid, the commonwealth has been a very patient partner and we have paid them over four million dollars but we still owe the commonwealth of Pennsylvania 7.4 million on the remaining land. Our development corporation has loaned an additional 665,000 and SADCO (Shippensburg Area Development Corporation) hopes to get its \$130,000 investment back as we sell additional land. You can see we show Matrix and Sheetz purchased 205 acres, and acres remaining and then we dedicated 16 acres to the township off of White Church Rd. In addition to 19 almost 20 million dollars that we have invested the federal government has put in 3.2 to widen the bridge on 696, now we paid the engineering costs and they paid the construction costs and we also included in the 19 million we did receive a one million or almost 1.5 million dollar grant from the Pennsylvania Capital Assistance, but the tax payers of PA and the tax payers of the United States and us have invested in this park. So this has been a truly a joint State, Federal, Local endeavor. Okay so where are we? So the issue is that in January 6th and March 16th at your request we had a meeting and Dave Thomas and I came and it was with the chair and the vice chair to talk about this project that you contemplated doing to extend to interconnect the Timber Hill Tank into the Park and that you were doing it because you felt that the developer Matrix was needing additional water. Well that was one of the reasons that you were doing it, for additional pressure and water to service its buildings. We were under the impression that on April 12th that you were having a regular meeting and that we were invited to review the data that was being prepared by your engineer Rettew, which was not available on March 16th but would be available prior to the April 12th meeting. Then of course you know, there was a special meeting that took place on April 4th, you approved the special rate district and we were notified the next day by John that it was put in place and we were sent information which is attachment 6. So where we are is that, you know we have filed a Writ of Summons on May 2nd and that was done based upon our attorney's advice that we had to respond within 30 days if we could not work something out. In other words we had to do a sort of place holder in terms of protecting our rights if we could not negotiate or resolve this amicably. Again I came last month and I made a presentation to you and I said we want to sit down and we want to negotiate and we want to work this out. We were unable to get together over the last 30 days, so we are here tonight. So we would like to really move this thing forward and I have with me folks who are impacted by this. We had our engineer look at it and we had two engineers look at it and they identified some issues of concern which are listed here. I am not engineer so I am not going to be able to get into the weeds with the analysis of their interpretation of the modeling that was done. I guess really there is some information that we don't have so they were very careful not to make any conclusions but to point out things that needed to be reviewed. So you will see those three bullets so really we are not here to. We are here tonight to try to ask you to work with us to resolve this matter we do not want to file. We do not want to proceed with any legal action that is not what we want to do. But we also want to make sure that we are treated fairly and that they allocation of the special fee that you put in place is fairly allocated based upon calculations which we would like to work with your engineer to resolve. Now the

other thing we are asking you to do is that we have three projects in the park that are stalled and it is critical that we get your cooperation. I know last month Forest said his advice to you was not to do anything until we knew what was going on with the lawsuit, well the issue is that the lawsuit is strictly over the imposition of a fee on the park and it has nothing really to do with any other issue. I mean that is the issue so it is our feeling it is unfair to hold up our investment in the park because that issue is unresolved. We want to resolve that issue but we also feel it is fair, that number 1 we have a construction project going for 2.5 million dollars, and we need the water line approved. We have submitted our plans early in the year and we resubmitted them on May 11th but the engineers have been told not to approve them for construction for phase 3. Matrix did the same thing they resubmitted their plan on May 17th and they too have not been approved. Now we just submitted a land development plan to Southampton Township for a 100,000 square foot building for lot 7 and we were told our engineer Dennis Black was told this last week that they were not to review our plans. So I mean we are, we have gone this far and made this enormous investment and we just and we have a history of working together. We just don't understand why we are changing the rules so late in the game. We thought we had everything worked out, we had an agreement we have done everything that you have asked us to do since 2004 and we feel like we are not being treated fairly in this matter. So we see no need to file, to proceed to file a complaint if these two requests are honored. The honor to review our plans and let our engineer and your engineer to sit down and have an honest discussion about the formula that is all we are asking for. We believe that if we have that information, our engineer and your engineer and there is an honest dialogue. We are willing and we understand the improvements that you are making are worthwhile to the whole system and to the park and we understand that there should be some allocation to the park. But we don't believe that the 86% allocation, Matrix is spending an additional \$600,000 according to what you have adopted and you know on top of all the other fees it is over a million dollars. So what I thought, I don't want to speak for Matrix, I am here tonight representing CVRDC we are a nonprofit economic development corporation, we are trying to create jobs we are trying to create investment into the community and we have worked with you well all these years and we just need to continue and get that back on track. So with that, if you don't mind, I think Dave Thomas here has some thoughts on that too.

(MP) Dave just state your name for the record

(FM) We don't want to confuse you with somebody else.

(DT) My name is Dave Thomas I am with Matrix Development Group. I have only been involved in this history for the last year or so. So I am just trying to think back how did we get to where we are? We originally did a fire flow test or a water flow test in the park maybe about a year ago and the results came back. I don't have all the facts in front of me but I thought we requested a fire demand something similar to what was already available and then we wanted this extension project that was being considered and we were with talking some of your folks about how we can participate and both be a part of it. In the meantime we have got our site plans have been approved by Southampton Township both lots have tanks, storage tanks approved in case the fire demand is not available. Or in case the insurance provider that comes in, in the future requires a redundant source of water we may end up and have to build tanks. So we were having all these kinds of conversations and then this special rate district was passed and now our costs go up by \$600,000 to \$650,000 or so just by a special rate district. When we step back and look at all those tapping fees and total we are near a million dollars for those two properties that Matrix now owns. \$950,000 to a million dollars and economically we want to tie in, we want to be a part of the system that starts to get, why don't we just drill a well and build a tank and do some other things when we are talking about those numbers. We would really like to sit down and talk you your folks and see if there is something that is more common ground.

(MP) I just want to be clear I think I heard two different things though. You are saying you want to negotiate about something else, I think I heard, Dave Sciamanna did you say there are two things that you would like us to take about? The percent allocation,

(DS) Two things, one was to review our plans so we can keep investing in the park and the second thing was to work together with our engineer and your engineer to come up with what we consider a reasonable allocation of costs and I think that is exactly what Dave is saying, if it is reasonable they are willing to accept it.

(DT) We have the water storage tanks approved for the site we will not know if we are going to need to bill those or not until we have a tenant, we know who the occupant is, we know who their insurer is. So we may always have that charge hanging over our head. By adding this additional pipe that you talk about that does add capacity that may help in the overall flow. But our system can work without a tank with the existing water pressure that is provided today. So this whole special rate district has just added cost for us that we are trying to validate, justify and get our arms around. With all the other tapping fees and everything else it goes into, maybe it just makes more sense to do an on lot well, we haven't gone in that direction, and we are still pretty early on it. The timing is important on the road work that CVRDC is doing, timing doesn't impact us as much, we tie in or we don't tie in. I don't know we aren't under construction right now. So those are the things we like to come to, we have similar interests and then we have different interests.

(SB) Can I ask a question? So I want to make sure that I heard you correctly that you don't need the water line.

(DT) We don't have to have it. I haven't done a full hydrology study to know where the water, I think what I have been told is that there is an existing well in another area and there is theoretically water under the ground. There is another property I have looked to develop in other parts of Pennsylvania where there is no public water source available, so you drill a well that is what you do.

(SB) So, I just want to since we are creating a public record. I want to once again say, that the letter we got in November requested more water for fire demands than what our system had. And so the Shippensburg Borough Authority, because we were looking at projects for the next year, decided to move forward with this project because we believe it would benefit your development and your development and then once we attempted to sit down and get buy in for that and we got no response. We already acknowledged that there was a lack of communication there, the communication broke down and we decided as a board to equitably, not just to the first developer to spread all the expense of that throughout 13% for us because there were some benefits for pressure within the system for the regular rate users and then the rest of the 87% throughout all the eventual development in that district. Instead of doing what happens a lot of times and I am sure you have seen, Mr. Thomas and I am sure you have seen where the first developer pays for everything. And so if you are saying that we don't need the line, that is really what the case is, then I don't know why we are building the line. That is just my opinion as one member of the board.

(ET) Can I ask a question?

(DS) if you didn't build the line that would be fine with us.

(ET) That was my question, I was going to ask, if that line didn't go in, you guys would be okay with the pressure out there for all this development that is going on?

(DS) I think Dave answered the question, if he needs a tank, he will put a tank in and the tank, well the answer is yes. The answer is yes, I mean Sheetz is up there, they are running and they are happy and they are opening. If the numbers that we got are accurate, I mean the two big building are going to be builds, nothing else is going to bigger than 100 to 150 thousand square feet.

(KB) correct me if I am wrong. But I thought, didn't we as an authority go back and say if you don't need the line, then we won't do the line, in April or May.

(MP) I don't think we ever asked that question

(SB) I don't think we ever said that as an authority as a whole.

(MP) the official letter was, we need a certain amount and we couldn't deliver that, so we put into place the means to deliver it. That is where we are.

(KB) That was the first part.

(MP) Then it was, well the line isn't, these gentleman saying the line isn't necessary for them. Although I also hear them saying that they would be okay if the line was there if we negotiate the percentage of responsibility

for the line. As Dave Thomas said they have CVRDC and Matrix have slightly different issues here, slightly different motivations and desires. So that is part of the complexity and part of the challenge of how we have gotten ourselves into fur ball together is perhaps some of that difference in communication about what we want and what we don't want yet. I think that is part of how we got to where we are. So you are asking us if we can negotiate that number, well I think we can certainly negotiate that number; there is no question about that. But I think to go forward. We are hung up on Forest's recommendation he is our solicitor, he is saying don't do it, don't do anything, because anything that we may do in terms of approving any further plans. Anything that we may do somehow show up in this lawsuit as being, working against us. In other words we took an action that then is deemed legally to indicate that we approved with something or agreed with something or somehow that action can end up working against us. So the lawsuit that is hanging out there or the potential for it prevents us from doing what we all like to do which is help you to get your project done.

(KB) I think that the other thing is that as an authority, we are kind of in the same position as you are Mr. Thomas where we have to weigh the benefit versus the cost and the reason why we even looked at the line as Mr. Brenize said was, because we were under the understanding that you guys needed more demand. And we wanted to act quickly so that we weren't stalling the projects. I mean honestly that was what it was about but the bottom line is that the benefit to our rate payers who are the everyday citizens the downtown businesses, everybody else, to put that line in, the benefit for them is not going to be worth the cost that we would have to pass on to them. That is what we would have to weigh, is what we are going to have to pass onto our ratepayers going to be worth when ultimately the benefit is going to go to the business park. And yes jobs all of that we do understand but there is also a hit on infrastructure and there is a hit on other things when a development company like this comes into the area. Most of it is positive but with the positives comes negatives. I think that is the position that we are in. we need to make sure that we are not doing our rate payers wrong because that is the reason why we are here. Honestly, we do not get paid we get appointed you know this is just we are here we are trying to do what is best for our rate payers. Which you know, is some of everybody in this room for the exception of you probably you, Mr. Thomas is a rate payer.

(ET) well he will be

(KB) will be, right.

(ET) one way or another

(FM) Since I got this started, I don't know whether everybody understands the authority did reach out to Matrix and CVRDC through your legal counsel and offered some concessions on the fees. Now I don't know that it was ever determined that those concessions were the final ones that the authority was willing to make but quite frankly the next thing that we heard from CVRDC and Matrix was a Writ of Summons. So that tells me as a lawyer, that you know they are not happy, that they don't even agree that maybe we should talk about it because that was my expectation. When I met with Mr. Hughes on that day that he had some meeting with you on the phone later in the day because he had to get done, my expectation was that the following week somebody would get in touch with me and say Hey look, can we get a meeting together and sit down and hash this out, and work it out. And the next thing you know John gets a Writ of Summons.

(DS) Actually the Writ of Summons came before Mr. Hughes had a conversation with you.

(FM) No, he may he filed, but I can tell you David it did not come before I met with him. Because I met with him we had that meeting in here, I believe it was on a Monday or Tuesday and I had to go to Harrisburg to a meeting on a Friday and I called him and specifically met in his office on that Friday. Before that Writ was filed.

(DS) Again the Writ was filed because we were told we had to have 30 days to do it. And that is the reason that we did it, it was a place holder. We never wanted to go beyond that and so that is why we are here. I was here last month and I said to you last month lets meet and talk and negotiate and we are here again and we are here in full force because this is important to us and it is important to the authority. And we want to get it resolved.

(MP) Are you willing to release that Writ? Are you willing to dissolve it, I am not sure of the right legal term, withdrawal it?

(FM) withdrawal it

(DS) Our board meets on Thursday, for that very reason to talk about it, because based on today's discussion the board is going to have a special meeting and thankfully Mickey is back from his trip to run the meeting. So the answer is I can tell you on Thursday.

(MP) okay

(DT) we don't have legal counsel present to answer that question.

(FM) I am not asking for it, I am just telling you what my position was and hopefully you can understand it puts the authority in an awkward position.

(DS) Forest I understand, the question is if he doesn't need the line and we feel the park can develop based upon the information that we have, the modeling that has been done, then we are fine with that and we can just move on, absolutely.

(FM) Then let me ask you a question. Suppose this authority and this is a hypothetical, suppose this authority based upon your representations decides not to build the line. Is CVRDC ready to sign a document that says in essence we had a chance to build a 16" line we refused it, so if you ever need another 16" line, CVRDC is on the hook for it, the whole amount not just some part of it, the whole amount. Because it is unfair to say to this authority we don't need the line and then 6 months to a year somebody comes in and wants to build a beer bottling plant and needs a million gallons a day and that is absolutely not available and now all of a sudden you want the authority to build a line. A line that they were willing to build today and share the cost with you and now you want them to build. So you see my point.

(SB) I think that gets into why the board decided to follow the solicitors advice with not moving forward with other projects it is because if we are not moving forward with the line. Or if we continue to move forward with the line and we move forward with projects when we get projects in and we don't have buy in for the line then we get to a point where we got to start you know breaking ground on the line and we get a make a decision at that point, where we basically got this line we got this special rate district but we don't have any buy in for it so we have to put the plans on the shelf until we get buy in. So it continues to slow down the process, so it really while we give you the opportunity and so if we would work with you and approve everything, actually at some point it is going to slow it down anyway.

(FM) If you need the water

(SB) If you need the water, I would agree with Forest very much, if we choose not to do the line, that is what you are requesting and what the board would decide to do, then it would be under the understanding, if we do, do the line we are going to put it on the shelf and if got to do that line all those engineering costs and the costs for the line the 13% that we are paying is gone at that point. And that whoever needs it at some point.

(DS) let me ask you this Forest proposed the question to us, which I think we can take to our board on Thursday. My question is are you willing to sit down and negotiate because we do see some benefits, we are not saying that there is no benefit but there is not 86% because right now nobody needs the water and to pay, and these guys will never get a tenant if they can't afford.

(MP) so let's take the, you don't need the water off the table let's take that off the table. You would like to have the water. Can you go on record and say that is correct, you would like to have the 16" line you can make use of it, it would be beneficial to you.

(KB) CVRDC doesn't have to answer the same way that Mr. Thomas does.

(DT) Absolutely, the answer is absolutely it enhances the infrastructure of the park so I mean do we want that, absolutely, yes that is a positive

(MP) okay wonderful, thank you, so what you are saying what you would like to do, you think the sum is not correct, you would like to negotiate the sum

(DT) the sum is absolutely not correct, we don't think there is 86% value to us, that is our opinion after we reviewed it

(MP) And your ultimate decision maker is Mr. Nye?

(DT) it is a board that Mr. Nye chairs.

(MP) Mr. Nye are you president? Mickey?

(MN) I am president of CVRDC

(MP) So does it make sense to you Mickey that you and whoever your second is, and Steve and I, would get together very soon and try to come with a rate or a percentage of allocation that makes sense to both parties, does that make sense to you as a means of resolution?

(MN) Yes, you are right but it doesn't, unless Matrix is involved, we could drop our share of the suit but they need to be involved too, because they are the biggest payer.

(SB) So in addition to

(MN) It would be only fair to involve them too, if you want to resolve the whole thing, right, you don't want half the lawsuit to go away, it may be a lot easier maybe, but we have a common interest, but we have an interest that may not totally be in common, I think they may need to make that call on his own, I would ask that you include him.

(MP) I would be happy to include him again the premise here is that we are taking off of the table that the line is not needed or desired. You take that off the table

(MN) Needed? I think desired, I think it would be an enhancement, I would go that far, I don't want to use that terminology, I just want to be careful. The answer is it would be an enhancement.

(MP) The line would be an enhancement to you all. So now we are talking about is the rate that has been assigned to that. The percentage of the responsibility for the development of that line, the 86 percent number is that number the number? Can we find another number that we both can live with?

(MN) Let me ask you this, when can you deliver the line, because people are going to be paying when they tap in and when is the water going to be available. It is my understanding that you haven't even had the project approved for a permit, is that true? With Penn Dot and all the permits and all the right of ways have not been acquired?

(FM) That is right but I would expect that to go fairly quickly

(MN) So the costs that you estimate are estimates you won't know what the cost is until you build it and it's built and you are done, correct?

(FM) That's correct but you are missing one point. You made a representation somewhere along the line, at least I heard you did that you can't assess a special purpose fee or a rate district until there is an actual cost. Well that kind of peaked my interest, so I went back and looked at the municipality authority act which governs this, and it specifically says that it can be based upon estimates and engineering estimates, it can be based on historical costs trended to current costs. So as far as having to have a concrete number before this authority or any authority establishes a tapping fee is just not what the law is, I am sorry.

(MN) this was based on information given to us

(MP) I read it too when you brought it up I thought oh gosh did we do this incorrectly? So I read it I have the book on my desk at home and I opened it up and read it to the same section. And in pretty plain language states that you can in fact use estimates or historic data.

(KB) Well regardless I think that all parties involved, we would use probably the same term that you would. It would be an enhancement, it is not necessary, but it would be an enhancement. I don't think there was any intention by anybody on this board as he plainly said you know we were trying. How I remember it being brought to me is that we wanted to get the ball moving so that we weren't slowing down the development so we were trying to move quickly and then when it came bounced back to us. It was very, well okay let's look at this and then it was as Forest said bam there is a Summons, everybody stop and that is kind of where we are with it. I don't think there is anybody at this table that would not absolutely support having Mr. Pimental and Mr.

Brenize sit down with whoever else on the other side is deemed necessary and see if the enhancement is worth the cost to all parties involved.

(MN) That's fair

(SB) I think that is what we are hearing, you guys want to sit down and there is a break point where it becomes cost effective for you and depending on that cost effectiveness then you are buying in and then you are buying in and we are buying in and everybody is good to go. And if we can't do that then and we just got to not do the line. But we don't want to do that because there is benefit to you there is benefit to us and we believe that there is benefit to you. You might not need it, but like one of things, what happens if one of the things fail inside the building. The difference between your insurance needs versus the actual firefighting needs it would be nice to fight a fire for hours and hours out there, and right now that can't happen.

(KB) And also the cost of a tank, what is the cost of a tank, how many tanks would you need, how big of a tank?

(ET) That was one of the things I took into consideration, when we hashed this out back in April, was the assumed cost that we were told that these tanks were going to run you.

(TP) do you have an estimated cost of one of the tanks?

(DT) I didn't bring it with me, but usually for a small tank that we are talking is maybe \$200,000 or so and then we can use one tank for both parcels. On our site plan approval I am always conservative I got site tanks for each parcel, but if we were doing it I would get one tank and share it among the two.

(ET) So you figure somewhere around \$200,000 a tank and you would try to get away with one tank.

(DT) right we would do one, there is the issue if we have this larger line to tie in, I still may have to build a tank because if a highly protected risk comes in, if the product that is inside the building is worth such a high value the insurance companies want added measures of safety.

(KB) that was the other thing we considered was fire insurance and what, you know, for lack of a better term, what the water line fire protection would be verses a water tank.

(DT) That was one of our questions in fact I am glad you brought that up. Because I didn't mention that but it would be useful to know the current ISO classification and would it would be after the line because there is an insurance issue here. It enhances the value of the park if you have it, so that was one of our questions.

(SB) And that is probably something we should have to be able to negotiate because that changes your guys bottom line with being able to negotiate down the road with perspective tenants if the ISO changes, because we are saving you \$xx a year on insurance.

(DT) that's right

(KB) That was one of the things we considered when we talked about it.

(ET) we did

(TP) that might be something helpful to get that estimated cost for that whole system, for tanks, and if there are any pumps or anything like that just to compare it

(KB) I am sure he is going to have that as far as what his bottom line is for what it would be worth for his company for a buy in. I am not so necessarily sure he is going to be willing to share that with us but.

(DT) I can find what it would cost to build a tank and all that day 1, what I can't value is if we do this big project and then do I still have to add a tank on in the future. That is the part that I can't put a solid number to. I can price out a tank and all these things.

(FM) So Mr. Thomas it has been represented to the authority that every single warehouse that is ever built in the U.S but certainly in central Pennsylvania has a tank, it has been required to have a tank. That has been represented to us by representatives of CVRDC so what you are saying to us today is that is not necessarily true except if you have some highly, like you are storing some archives of the MGM Theatres, like you have something that is really highly flammable, and really needs a lot of protection.

(DT) Right, as these buildings get larger it could be a small dollar per item but there is millions of items in these, they are very tall and very big

(KB) That is what I was actually going to say, judging from the size of a couple of these warehouses, it could literally be paper napkins, and just the sheer magnitude of the size of this warehouse, I mean that is literally...

(FM) you don't know if a tank is going to be required or not, that is down the road when you get a tenant

(DT) What I do know is our sprinkler system will function with the 2200 gpm at 35 psi it was written right in the special rate ordinance of what is available at the park today. We checked with our engineers that will work with, we will put in our own fire pump on the system which we do in other places, but that water supply would be enough to satisfy the fire demand of the sprinklers. And so when we were trying to look at what is the value of this enhancement of bringing this larger line, it is hard to really put a number to, is there value yes, but theoretically there is value to having a larger water source. I am just struggling to put a number on it, or it is hard to peg a direct number.

(KB) we agree, actually we are in the same position I think.

(MP) so I let me just say, I remember that conversation with you and that is why we passed the district, you wanted real numbers. And I thought we were going to be debating that thing all night. The board decided they liked what they saw and we passed it, and I thought well here are the real numbers. That is why the next day we sent it to you. That was the thinking, perhaps it was an error but that was the thinking.

(ET) I thought that you would be saving money, I honestly did, because even at \$200,000 a tank and you had to put two tanks in that is \$400,000 and the maintenance alone over the years would add up to more than \$600,000

(KB) along with fire insurance

(SB) and we factored in the changes that would have to be made because the tank was there and you probably had to move your swales around and stuff so there was going to be more dirt that needed to be pushed and that is why...

(ET) but the original number for the tank was a lot greater than \$200,000 there was somebody else that estimated it

(KB) yes, it was like \$550,000 per tank, so we really did, Angelo is correct we really did think that we were...

(ET) we thought we were being business friendly

(DT) Well the number that came out is a little higher than what we expected so that is kind of the response that is why we are back here today.

(MP) yes sir

(MN) Can I say a few words, I am Mickey Nye I know almost everybody here, everybody but you

(KB) I was on counsel for several years, you know me, but you may not remember me

(MN) my agenda is very simple I am a Chevrolet Dealer and Cadillac Dealer and I just want to sell everybody in this room a car and then a second one and so forth, putting that aside. I am a volunteer just like you guys I don't get paid, because of the same compassion that I have for the community that you all do and I know that so we really appreciate your time and endless hours here at the board meeting and you don't get paid anything for it, so I really appreciate that and I want to thank you. And Forest, you probably had Judge Shughart for PA practice didn't you?

(FM) Yes, I had Judge Shughart; everybody that went through Dickenson Law School had Judge Shughart for practice.

(MN) I had Judge Shughart for PA Practice; you had Judge Shughart for PA Practice. And where I am going with that comment is Judge Shughart taught us to file a Writ of Summons to stop the clock. This is just a procedural thing, it is strategic it doesn't mean a lot Mike so you don't have to get so worried about it. It stops the clock it is a procedural thing and then we can very easily dismiss it, if we sit at the table, we come to terms. Because, Forest both you and I know, the only people that win in a lawsuit are the lawyers, because they get paid their fees no matter what the outcome is, they get paid the fees and then all the rest of us get stuck paying those fees. You guys waste money we waste money and so forth. So for those of you who don't know, I am an attorney, that is Forest and I can bond in that regard. So want we want to do is we want to move forward. I am

wearing the SADCO hat, I am president of SADCO and then SADCO being part of CVRDC, I got involved CVRDC right before the Duke Days, so I am kind of new to this too, I got in there about 2006. So I missed this whole agreement thing that you all are talking about, so I am just right behind that or beyond that and so I became very active in CVRDC because of the interest in Shippensburg. And I am really looking after the best interest of Shippensburg. So it may be different than what we all are talking about here today is, I want to zoom out to the 35,000 feet. And I see what is going on down at exit 44, I see what is going on down at exit 39 and I see what is going on down there in Chambersburg and we have exit 29 and exit 24, virgin territory. Because I know we have Georgia Pacific down there and I know they went with tanks and dug a well. In the good of Shippensburg, is that really the best thing? Many years ago Forest came to me and asked for a right of way across the property that I own for potential water line around exit 29. I saw a significant benefit to the community and to that region. Here is the water line and I will give it to you for free, I don't even need the \$1 of consideration that was offered, because I didn't want the money. I just want to have the waterline; I think it was good for the community. Likewise down here at exit 24 I think the waterline is an enhancement. But I take, by zooming out I would take a broader perspective and I think that we don't want that 16" line just to serve this park or Mr. Thomas needs, right next store to us is Mr. Oberholtzer and he has already expressed interest in selling. And one of these days his land is going to be for sale and it is worth a whole lot more for a box or a business than it is for a chicken coop or something like that or a corn field. Right across Woods Rd is a whole lot more land right down the street a little bit further is a whole lot more land. And guess what somebody is going to be knocking on the door here real soon if you have driven either way off of exit 44, the deeper you go the buildings you see it is amazing what is going on down there. That is going to happen here at exit 24. So I think for the benefit the very long term benefit for the authority way beyond our park. Because we are soon to be built out, with the land he just bought and some of the other land that we have sold we have a couple more lots back behind the hill but after that we are built out. So I think the SBA should be looking way beyond us, the 16" water line enhances that whole region. And I think you should look at expanding that district. I don't know maybe there are some zoning issues and things like that. But someday, somebody is going to be knocking on the door and they are going to want to get the zoning changed and then they are going to be asking you for water. One of the other things that I was really confused back in April when I started reading this agreements and stuff and listening to some of the requirements of the new resolution that you passed was when there was an allocation of a fee based on acres under roof. Which I really don't quite understand that concept because if I am a Raskas Cheese and I have a relatively small plant but I use a ton of water. It is kind of like Forests example, of a beer bottler or Pepsi Cola or something like that. You have a small building but you crank out, you need a lot of water well than EDUs is the key. The amount of water you use is the key not the number of feet under. Like if I build a massive building and it is filled with steel pipe is it going to burn? There is really not a whole lot going on there. So I kind of think sometimes we are missing the big picture, let's zoom out a little bit let's look like down beside CV Co-Op isn't there some land down there. You have right beside Baumgardner you have the farm between Proctor and Gamble and I think the sell pumpkins and stuff in there. If you know what I am talking about, I forget the name of the place but there is a farm in there that someday. Somebody is going to knock on the ground and say hey that land is worth a whole lot more as a warehouse than it is to sell pumpkins. Because you can go down the street and sell pumpkins at some other place and so I really think that is the way we need to be looking at it. So we would be more than happy to sit down at the table and lets cooperate and get this issue out of our hands, Mr. Thomas let's get this resolved and some other people, Dennis Black is talking about, let's get some plans working let's sit down this week, let's sit down next week and let's get this hashed out. But then as far as Steve and Angelo you had a great point too, like do we even need this line? Well currently what I see, from my disposition is that with the current request no, we don't need it. You guys asked us to build a 12, we built a 12, and we took it rather than the direct way right in the park that is going to follow the new road. We did exactly what you asked us, we took it out to Mainsville Rd we took it down White Church Rd, we snaked it in all around the park. We build a maintenance road all along there, we

did everything you asked us to do in good faith and we thought that we would be sitting at the table when we want to show a spirit of cooperation and we also want to do is to represent to future people who are looking to Shippensburg that there is this great spirit of cooperation between the developers and SBA. You don't want to have a reputation of being a lot of hostility because guess what, because hostility they are not going to look here they are going to go to exit 39 or they are going to go someplace else and they will pass us by. We thought hard, yet Proctor and Gambles campus here and dog gone it we didn't lose them to West Virginia. And there is 100's or maybe 1000's of jobs and millions or billions dollars in investments that we lost because of that.

(KB) Well, I don't mean to interject but I really do hope, at a very minimum that this meeting has come to the understanding that there was never an intent and I don't believe there was an intent by either side to make anything more difficult. Obviously we have to look out for our rate payers, you have to look out for your company, you are looking out for future development and your bottom line costs all of that. Nobody on this board wants to make anybody's life difficult. This is a volunteer job; this is not what we are in the business for. So I think at a very minimum that has been made clear that all the parties want to get together and we want to make it work. Everybody on here looks forward to fostering good relationships and the year and a half that I have been on this board we have improved quite a few relationships and I know that when I was on council we continued and that we did that as well. So I think that is definitely one of our key goals is to foster good working relationships with small businesses, development companies, residents regardless. So I thank you for coming this evening.

(MN) Thank you and so if we can coordinate, Mike how do you want us to do that to coordinate?

(MP) Why don't we work through John? Right so send your possible dates for next week, if you can do next week. Let's try to do this quickly, send available dates to John. You and I will do the same we will look for a match and we can see if we can move this rock up the hill. Very good

(DS) just one quick question, will you review our plans so we can continue our project in the park? We have a construction plan, your engineer has basically reviewed them, he just can't release them until he gets the okay, because we have a contractor that is moving a lot of dirt and we want to put a water line in, in September. Regardless, we have to put the water line in, regardless of what happens, connection or no connection, this building we want to build on lot 7, it is under construction. So we need you to review those two plans and it would be very helpful if you will do that for us.

(KB) this evening?

(FM) We are going to have an executive session to discuss this, so we will talk about that in executive session.

(ET) Just so you know, that Writ is a two way street, it stops the clock on both sides and that is what happened here, you know it is an unfortunate circumstance that our hands were tied.

(FM) When is your special meeting?

(DS) Thursday

(FM) This Thursday

(DS) Yes

(SB) To some our extent our not moving on any of the projects is our version of your Writ, your Writ is to protect you, us not moving on the projects is our way to protect our rate payers and to be stewards of the rate payers the way we are supposed to be. And it is not just the residential rate payers. One of the things that really factors into this for me and as we start negotiating to try to be fair and equitable is that we just recently had a major employer in the area, Schreiber that put a significant amount of money into our infrastructure and specifically the tower that is basically making this line possible to push all the water over to this, so at the end of the day when we negotiate. Is we also have to make sure that it is not just residential but we are also looking across the board, at the big picture at all our businesses in the area. So that is one of things as we negotiate we have to make sure we are fair to them to, because if we are basically using their water tower that they significantly put money into, to basically subsidize future growth, that is not fair to them either.

(DS) understood, I understood you have a lot of interests to balance.

(SB) right

(KB) thank you gentlemen

(MP) thank you all for coming out, I believe we made progress, it was an hour well spent.

(DS) talking things out, must of the time is the right thing to do right?

(FM) usually works out

(DS) reasonable people come to reasonable solutions, so thank you.

(MP) Any other public comment?

(KB) the public left

2. Consideration to approve meeting minutes of July 12, 2016

(ET) Motion to approve

(KB) second

(MP) Moved by Mr. Tsambiras seconded by Ms. Burrows, any discussion?

(SB) Page 26, I drive a 1998 Jeep, they had a 1990 it is not a significant change, but

(KB) you want to make sure that you give it the credit it deserves

(ET) you don't want to make it older than it is

(SB) Well otherwise, then I have a classic, then I would have to go get new tags for it

(KB) then you can only drive it so many miles

(MP) Any other corrections or changes 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) I think everybody has a copy of the engineers report in their packet. 1.a HAA Exceedance and Disinfection which I don't think has had any additional action except for one item that is further down in my report. I will address that when I get there. 2. Well 2, we are still waiting for the response from DEP for the flood plain management plan. We have had however, some discussion with DEP water quality about the actual construction permit for the Well improvements. Included in that was a request to allow temporary Hypochlorite feed system at the Well during construction and as it turned out, I think we discussed it before. I think Louis had lost a spare pump there in the existing chlorine system and was hoping to move that up a little bit. We have been told by DEP that they are going to issue their permit within two weeks, their entire permit and that the temporary hypochlorite approval will be included in that approval. So we will have that in two weeks if their time line is correct. The only thing that will be in that permit will be a stipulation that we cannot construct until we have the flood plain management permit squared away. So we are at least moving forward on that part of the permit. If we don't hear anything soon again from the flood plain management folks, we will give them another call I hate to bug them too much. Sometimes I believe if you bother people enough you become less of a priority rather than more of a priority. By next meeting I hope to have an update on that. 3. Possum Hollow, no big changes except for item c. we got the signed agreement with Norfolk Southern so that is complete and I gave John tonight the signed original for that agreement, so that is done. And then e. Forest is working on easements and everything that is needed there. That brings us to 4. Well # 4 if you remember at the last meeting I came and talked about the need to do a step drawdown test there was an agreement we should proceed with that even though the yield on the well appeared to be from blown yield appeared to be less than what you expected or wanted. The driller attempted to install a test pump about two weeks later; fitting it into their schedule could not get the test pump to go down the well. He believed that there was an obstruction in the well. Wanted to do a video inspection of the well prior to moving forward to doing anything else to be sure we even knew what the situation was. At the time his video equipment was in the shop being repaired so that took another week to get that on site. They did the video inspection and there is no

obstruction in the well, what happen was that there was a zone, if you remember we talked about it a little just past the end of casing that was very fractured and open. We didn't get a lot of water from it, but it was obvious that it was karst material there. When the camera got to that point it became obvious that the drill bit was half in rock and went through that area and began drilling again in solid material but offset from the original well direction, the plumb-ness, whatever you want to call it.

(KB) So it's not straight down

(SB) So you didn't find the money pit

(DH) we didn't find the money pit, we didn't discover anything new other than the fact that the, beyond that area the well hole that was drilled by the well driller is now not perfectly straight, is off plumb, it is offset and we have done a lot of and I have got the video if anybody is willing or wants to see the video of the you can see what happened.

(KB) so what is the bottom line Dennis?

(DH) The bottom line is we believe that there is no way to salvage that hole. There is not even a good way to do a test pump because the area that is a problem is so close to the water surface we can't pump enough water to get a good test done.

(KB) okay Dennis

(SB) Does the drillers A&I cover that?

(DH) We have discussed that both internally and with the driller, we believe that we will probably not be able to get them to cover any of the costs of doing this. That they consider it a risk in drilling the well and that they, there was no way they could. They did the things that they were supposed to do when they drilled the well they had an 18 foot long stabilizer.

(KB) How would they not know they were going crooked?

(SB) Do we have a waiver of liability from them? I mean do we have something basically stating that, do we have documentation from them stating that if due to their negligence they make a mistake during their process that we are still responsible to pay for them for their work?

(DH) First of all we would have to show that they were negligent, and that would be a process to show, we believe based upon our experience that they did what any well driller would of have done under the same circumstances to drill the well. Believe me I am just as disappointed and upset about the fact that this didn't, that this happened as you are.

(KB) I get what you are saying, I really do, but I am really curious as to, I kind of equate this to, they drill wells for a living that is what they do, that is their sole purpose in life. How is that any different than Toyota making a car and the wheels fall off?

(SB) or if I am working on somebody's computer and I mess their computer up, I am responsible for that. I don't think, it is a general service or Troy if you mess somebody's plumbing up in their house aren't you responsible for that?

(KB) even if you did everything right, but I am really curious, I don't know a tremendous amount about drills but I have watched enough on Discovery Health, just kidding, I was totally kidding! I mean the thing goes down and they just continue to shove longer pipes down as it goes down right.

(DH) yes

(KB) how does it get offset?

(DH) Again when they drill this well, the first thing after the drill bit and please interrupt me, Brenden. Brenden O'Donnell here is with Rettew he is my hydrogeologist so I brought him here to answer all the hard questions and keep me from sticking my foot in my mouth if I say anything that is wrong. When they were drilling the well, there was what they call a stabilizer, an 18 foot solid piece right after the drill bit that is supposed to keep this from happening.

(KB) And the gap is bigger than 18 feet?

(DH) The problem is with the well the video equipment that he had at the time; the meter for measuring depth was not working that day, we don't get an absolutely good idea.

(FM) Sounds negligent to me

(KB) But they did everything they were supposed to do though.

(BO) So this was an exploratory test well, I have drilling wells for 18 years in karst environments and bottom line is you do not know what the conditions are until you drill. We can do all the research and study in the world and come up with ranges and estimates but until we drill we don't know how much casing we are going to need, we don't know how deep it is going to be we don't know what the yield is going to be. Over the course of my career there are instances where the conditions are just right that it is very possible for wells to become misaligned and they most often occur in the karst environment just like that which is like that at the toe slope at South Mountain. There are times, there is no direction capability with that drill, and there is no way to know if it is plumb while they are drilling. They only precaution they can do is to keep their rig completely vertical and use a stabilizer bar which is a 19 foot long piece that is just smaller in diameter than the bore hole so when that gets into a zone that has play in it that stabilizer bar is designed to help keep that plumb.

(MP) They put that stabilizer bar on there because they recognize that they may encounter something that may throw the bit off center, correct?

(BO) that is absolutely correct

(MP) doesn't that mean essentially that, they were not careful enough in this case

(BO) they were using the stabilizer bar

(MP) they were using the stabilizer bar but they were not doing other monitoring to find out whether they were going straight down the hole.

(BO) there is no way to detect or measure the plumbness when you are actually drilling. And I was actually out there when we drilled through this zone and to be honest with you it looked like your typical karst fracture zone. There was no issues keeping the hole open, there was no issues getting through it. We had to slow down and work it a little bit and then we got through and we maintained circulation with the drilling tools

(KB) What was the cost to do the test drill?

(DH) the current cost we got, total including Rettew's costs is about \$90,000.

(ET) did you say \$9,000 or \$90,000

(DH) ninety 9-0, we spent most of the money that was in the \$100,000 budget.

(BO) some of the expenses also from last year to during some preliminary meetings and site visits to work with the quarry on it

(SB) And what portion is the portion that would be sent to the drilling company?

(BO) it is approximately \$50,000 and I don't have the exact number here

(KB) So all the preliminary work is done, would it have to be redone, because obviously you can't drill in the same hole.

(DH) you can not

(KB) so you have to drill a new hole, so let's say worst case scenario we are in the bag totally for the cost is it going to be \$90,000 additional dollars to do another test drill? Or is it going to be \$50,000 additional dollars for us to do a test drill?

(DH) I think that one option is to move over some distance from the existing well and drill another well. If that was the case and that decision was made, it would not be a lot more than the \$50,000 dollars other than the time that we would be out there monitoring what they were doing.

(KB) you say not a lot more, what is not a lot more?

(BO) those initial clearances that you do before you drill the well, you get DEP approval, you do wetland delineation, we don't have to do the wetland delineation again, the amendments to the predrill approval and the PNDI clearances would be pretty straightforward since it has already been done, they would have to be revised but it would not be a full \$90,000 again.

(KB) So probably \$65,000 or \$70,000, \$75,000, \$80,000, \$85,000? Stop me where ever you think –ish.

(BO) I would like to do an accurate calculation, but I would also like to say that this well, I am sorry

(KB) I am sorry, it went from \$50,000 to \$85,000 I am just trying to figure out where in that 50 to 85, and I understand, I am not going to hold you to this dollar amount, I just want a ball park.

(BO) so probably \$65,000 to \$70,000

(ET) so your share of that would be \$15,000 to \$20,000

(BO) right

(ET) and the \$50,000 would go to the driller

(BO) that is right

(ET) \$50,000 going to the driller that somehow messed this one up.

(KB) We now have an unusable, ridiculously deep hole in the ground.

(MP) How far from the current hole can you locate the next one without incurring a whole lot of additional costs?

(BO) So there is a couple options, let me start off by saying this was always a test well and a temporary construction so if the findings prove that we wanted to continue with permitting it would have been re-drilled to a larger diameter and reconstructed with permanent casing, we need the test well findings to figure out how much casing how much water where the zones are and so forth.

(ET) excuse me how much bigger would the re-drill hole or this larger hole be?

(BO) it would be a 12” finished diameter that would go through

(ET) and what do we have right now? What size?

(BO) 8” open bore hole

(ET) is there any ability to make that hole, bigger to catch what we missed? Is it more than 4” that we are looking at?

(BO) we have looked at that the driller and myself and the drilling company, there is a possibility that you can go in there and try to ream that out and case that, but based on what we have seen with the down hole video, the offset is significant enough and the conditions and the nature of that fracture zone being that it is only part of the bore hole on one section and it has a vertical component to it, it is very likely that the reaming and the casing may not ever be centered.

(SB) the geological nature of that zone basically makes it difficult to stabilize it, is what you are saying.

(BO) When conditions are just right, there are instances where you can never get a straight hole no matter what you do, the drillers have stories of them trying to keep things straight, breaking tools, getting tools stuck when situation is just right, there is nothing that you can do.

(FM) Will you have to fill in the hole that is there if it is abandoned?

(BO) typically what is done in this instance if the test well isn’t salvageable, you would abandon the test well, slide over 10 to 15 feet drill a new hole.

(KB) so what do you do with the abandoned hole?

(BO) it would be plugged, it would be abandoned and then with a combination of stone and probably grout up top

(MP) based upon the less than ideal projected flow rates of that test well, does it make sense to drill another one in that same location or should we go looking elsewhere?

(BO) in my opinion if you wanted to continue to explore that area, that you would have to settle for lower yields based upon what we know now from that test well as well as the quarry well. I would not get your expectations up, I think we know enough now that 500 gallons a minute and up are probably unlikely now at this point.

(KB) We kind of accepted that at the last meeting

(MP) maybe it is time to rethink that, maybe we should look someplace else, if we are going to spend money on another hole in the ground, maybe we can go to a place where our luck will be better.

(BO) Another option would be now that we know that our yields are not going to be quite as high as what they were originally, that the zone 1 well had protection radiuses of floating 100 foot to 400 foot radius where we are located now we would have needed to acquire the Boyd property which is adjacent to it to have that. Another option would be if you wanted to drill a new location you could center it just on the Quarry property and there would be enough zone 1 to get 600 gallons a minute or less depending on what the yield of that well is.

(MP) so would you recommend that in terms of location, relative to the likelihood of a very strong yielding well.

(BO) I would only recommend it if your expectations were lowered more on the order of 200 to 350 gallons a minute. But I wouldn't recommend if you are still hoping for 500 gallons a minute and above. I wouldn't recommend it then at this point.

(SB) Then I think the conversation needs to be, if we know we are only going to get a half million a day

(KB) less

(ET) 350, let's just go with 350

(SB) if we are going with 350 gallons per day the cost of actually putting this all together and building the building and treating that does that in the long term give us cost effective water?

(KB) We talked about this at the last meeting and I think, and I don't remember if it was Dennis, or if it was Louis, or who it was that was telling us that basically we have been super dooper lucky with our wells and essentially don't ever expect that to ever happen again. And didn't we talk about the cost benefit? My concern is, and I am not a superstitious person but it seems to me like this well is pretty much cursed! Everything that could have gone wrong has gone wrong.

(DH) It is a good thing that Brendan reminded me, because he has been involved in this process a lot longer than I have and he knows and he has learned through discussions with the others and so forth that there have been other test wells that have been drilled, and at least this is my understanding that have also not panned out. So there is no, anytime that you do a test well there are multiple things that could happen, including no water and what just happened and other things.

(SB) that is why you have property that is not perkable

(DH) so I guess what I am saying is because you have had really good wells there is an expectation that when you drill a well that it is going to work and not going to be a problem.

(KB) so what is your recommendation, regardless of who's fault and who's going to pay, is your recommendation that we would do a second test well at the same location or not?

(DH) I would say that if you decide that 200 to 350 gallons a minute is what Brendan is telling me based upon the yield of the quarry well plus what we saw as a blown yield out of this well, that the expectation is probably going to be if you move over, that is likely what you are going to see. We have got two test points, two data points now.

(KB) who was it at the last meeting was telling us, that we have been really lucky with our wells?

(MP) I was repeating that from conversation that I had on the phone with Brendan.

(LL) and we have, we are extremely blessed with the three wells that we currently have

(MP) so let me ask another question about that, do you know enough about our geologic area to suggest that we might be better off in a whole different part of the valley here, rather than continuing to poke holes in the same piece of ground?

(BO) so early on in this project, 4 years ago we looked at the whole valley and your entire service area and we worked with professors at Shippensburg that have worked with the authority in the past. There is this formation that is at the toe on the west side of South Mountain, the Tomstown formation is the best formation is the best location to look for high capacity of water wells with good quality and the least potential to impact surface water or be influenced by surface water. The flip side of that is it is the most difficult areas to drill wells in the entire state. There is a combination of factors hundreds of feet of unconsolidated material that you have to get through, and then there is karst conditions beneath both of those conditions make it very challenging in drilling. With that being said it is certainly worthwhile if you are going to continue to pursue another well, to stick with

that formation. My understanding of the history of this project it was quite a challenge to get a property to even explore on. We started off over at the Alleman Property and ended up over at this quarry property. So that has to be factored in to your decision as well. There are certainly other areas of the Tomstown formation that could be looked at, but getting access to those I think was explored...

(SB) I think also and looking at the overall system there is a certain distance that our wells have to be from each other, and I am not sure but we can't put a well in between Cleversburg and Mainsville.

(BO) so between 1 and 2 you can't or between 1 and 3 are too close together

(SB) so we can't put anything in there so we would basically have to go up to Two Turn Rd

(LL) actually a little further, between Two Turn and Steel House Hollow

(SB) So basically if we are going to source a well those are our two next logical places and we already have property that we can work on in this area.

(BO) there is also between Well 1 (is Cleversburg 1?)

(FM) yes Cleversburg is 1

(BO) there was some more room between where we are at now and Well 1, that you could site a well. And then there was a spot between 3 and 2 that you could squeeze in but you don't want to be too close and you don't want to be in the recharge area of the wells or else there is potential interference between those wells and the ground water availability between them. If you go into the Valley, we did select a couple of areas in the Valley of the Elbrook Formation which was around here and somewhere here in the Rockdale Run, but the cons of going into the Valley and the combination of permitting feasibility and water quality interference with possibly other wells, farming, the contamination and so forth and also the potential is not as great for higher yielding wells once you get into certain areas in the valley. So everything always historically kept on going back to the Tomstown and I think that part of that was the success of the three wells that you have. But I can also say that all the large capacity community systems that I have worked on its more common than not to drill multiple test wells until you get a keeper, even on the Alleman Property we actually had selected three locations and got clearance on three locations in the event that one of those locations didn't work out we had another location ready to go. This property was a little bit smaller so we kind of just stuck with the one.

(FM) There is no such thing as a well field is there?

(BO) a well field in my business would be when you have multiple wells you can consider your three wells a well field.

(FM) I just wondered because the authority owns thirty acres of land at Well 3. They own 30 acres of land they already own it. And you have a Well there that provides a good bit of water and you know I have heard of other places, actually one right around here somewhere that went up into Michaux Forest and drilled 3 or 4 Wells within a relatively small amount area.

(BO) Yes, I drill multiple wells for you know canneries and prisons and so forth it is typically when the wells don't make as much water as your wells do.

(SB) Because we are going to be capped by a permit from the state they are only going to let us take so much water out of the ground.

(DH) When you have large yielding wells they tend to have a much larger zone of influence and then they will start influencing each other. If you are taking a hundred gallons a minute rather than a thousand there is a difference I think.

(MP) so if I understand this correctly the question that is in front of us is, do we move just a short distance from our current punch hole, our test hole in the ground and drill another one. Do we relocate some further distance, rolling the dice, still within the same tract, but still a further distance from the hole, hoping that perhaps you are going to encounter a better ground to drill in, maybe an even better yield, although that's not likely. Or do we abandon this whole location entirely and go move someplace else in the valley and try to acquire land and drill a hole. I think those are the three scenarios that we are to look at. So from your experience if you were advising this body what would you advise we do?

(BO) If you are willing to accept and settle for lower yield and knowing the years it took to get access to this location, I would drill another well centered on the quarry property that would get rid of the whole Boyd issue all together, so there is kind of, I don't want to call it a benefit because I know that it is a pretty big issue that is in front of us. If you are willing to go back to the drawing board and time is not an issue. Most wells are sited a little more strategically; the Alleman property was sited in an area that had some features that indicated potentially higher yielding wells. It was along the western edge of the formation opposed to the eastern edge where we are at now so there is ways to site wells which would increase the chances of your yield. It is never a guarantee but if you would go back to the drawing board you could try to site a well a little bit better than this location or maybe has a little better chance, but knowing what it is like to get access. I don't know if that is the most feasible option right now. I guess you would have to weigh the fact that you have access to the quarry property now.

(SB) and so by lower expectations we are saying 300,000 a day that is our break point, if we don't get 300,000 a day then we basically just drilled another test well.

(BO) I would move to a different area entirely if 300,000 gallons a day is too low

(KB) and that is what we were estimating this was going to bring, I know we didn't do the drawdown test but that is what we were estimating

(DH) Do you want me to explain what the blow yield is?

(KB) you don't, I mean, honestly you don't have to.

(SB) you are saying lower expectations, and I know at the end of the day and we drill a test well again and we don't get anything then so be it. But what you are saying is that we have to have realistic expectations on this. What are your realistic expectations that if we drill another test well based on what we have seen here already?

(BO) based on what I have seen here, I would expect between 200 to 350 gallons a minute

(MP) that is 500,000 a day

(BO) the 350 would be 500,000 by the end of the day

(TP) is there anyway the blow down was inaccurate because the hole wasn't aligned?

(BO) not because the hole wasn't aligned, but the blown yield is not an accurate sustainable yield the only way to show what the sustainable yield is to do a long term aquifer test which unfortunately you don't know until down the road. It is possible it was not accurate, yes given the zone at the major water bearing zone at this well was deep at 630 feet and we did have some issues losing circulation and had some cycling of the blown yield, a lot of decisions are made on drillers blown yields and down the road they can be low or high you know it goes both ways

(MP) So what do you need from us, do you need direction? Tell you to drill another well or go someplace else? Well what do you need?

(BO) right now we are on hold

(DH) exactly and keep in mind, this, to get to where we are today and again I wasn't involved in a lot of that process but it was several years of effort to go through a process to identify a location and get to where we are now, I wouldn't necessarily make a recommendation that you make a decision tonight, we are going to go here next. I think that we probably need to look at; I mean we only found this out less than a week ago

(KB) I think we need to find out the first thing that we need to find out is there going to be any repercussions or reimbursement from the driller, which I think Forest is going to look into, I don't see any reason to make a decision before we find that out, right. This is more of a fact finding thing, what are our options but ultimately a majority of us feel that, that is there job and did not drill a straight hole. I understand what you are saying but

(BO) In my professional opinion having been out there with them, there is no neglect or misoperation that they were doing, in other instances I have heard of stories of people not using stabilizer bars or not using the right tools absolutely that would be neglectful in a situation like this. But we could not even detect that issue had happened when we drilled through that.

(SB) right I believe that is part of why people have A&I's if you aren't neglectful you can still basically that is why you have you're A&I insurance to cover that even if you are not neglectful. Even if you damage somebody, if I damage somebody or if somebody is not made whole, and I realize that this isn't, that when you drill a test well if they find nothing, they find nothing but basically we have paid...

(KB) We want at least a straight hole

(SB) right we paid to drill a hole to be able to test it and we are not able to test it and so at the end of the day maybe we can't hold them accountable, maybe we are wrong but we do want our lawyer to look into and see if we can hold them accountable, because I think that is our duty to our rate payers is to at least look into it.

(ET) I have a question

(MP) Yes your question

(ET) if we stay at this area, if we move lets say 15 feet, we got a good shot at getting something.

(BO) I would say yes

(ET) okay, your wisdom, if we move to the center of this property that you are suggesting and I don't know where that is, how many feet away from the original hole.

(BO) It is only 100 feet maybe

(ET) would you say that we have the same probability of hitting at the same depth

(KB) Why would we do that, I am confused as to why we would

(ET) to move it a 100 feet we would save the cost of buying the other property

(MP) which would offset the second hole

(SB) and basically if we would move over a 100 feet we hit a larger amount than at that point it is worthwhile because we hit a larger amount, if somehow we end up hitting a larger amount and our circle is bigger and we still have to buy the Boyd Property then it makes sense financially

(LL) you have another issue also if you move roughly 100 feet from where you are at, you may be restricted by the road as to what your zone 1 is, if you hit a larger amount...

(KB) My whole thought

(LL) because remember the zone 1 is a sliding scale from 100 to 400 feet. When we looked at this well we went max separation.

(KB) why did we drill where we drilled in the first place? Just because of what he said?

(DH) to some extent yes

(LL) there were several things, we looked at the formations that in this area were similar to the formations that we drilled Well 3 in, okay, the depressions and everything else which was on advice and recommendations from professors at the university. And the other thing was we looked at 400 feet zone 1 Well 1 had protection and where we could fit it on the lot and that is how we got this location. Now 400 feet is the same distance that we have at Well 3 that produces 1500 gallons a minute. But if you get closer to the road, your zone 1 is getting smaller so even if you hit 6 or 700 gallons a minute you may not be able to harvest it. Because you don't have the zone 1

(SB) Unless we move the road, which is a whole other...

(LL) Okay yes, basically because that was the issue that we ran into at Well 1.

(SB) by moving it to the center of the property we are moving closer to the road then too

(BO) so if you center it on the quarry property, you have a 320 foot zone 1

(ET) Which would allow us for how many gallons?

(BO) 600 gallons a minute for decision making there is a couple different factors that the well construction is another factor the yield is another factor but I would assume 600 gallons a minute would be the max that you would be able to permit

(ET) okay if we hit something that would give us 1000 gallons a minute, could we only take 600?

(KB) yes that is what permitting is

(BO) the zone 1 is a little confusing because of also the amount of open bore hole, it puts you in a different sliding scale, if you had a 1000 gallons a minute and you had over 200 feet of open bore hole, which looks like we can get in in this location, you can get the 1000 gallons a minute

(ET) I am not looking to try to get a 1000 I'm looking to try to make this financially feasible if we know we are only going to get somewhere around 300 gpm, if we don't have to buy that property and you tell us what we got to pay for the new hole the whole thing which that is a whole different ball game. But this helps pay for that hole, by not having to buy his land.

(BO) that is why I bring it up

(SB) And while it is not what we originally wanted, we end up with a well that produces a lot more water than a lot of other public wells do.

(ET) and my question is if we move it the 100 feet do you think we can still hit that same

(BO) it is going to be different it could be similar but the depths of those zones are very likely going to be different especially in a karst environment. I can't say it is going to be the exact same no and there is a chance it could be a less or high

(KB) well we had to go a lot deeper with this well than we thought we were going to, didn't we and basically the depth we found water was as deep as we were told we should go

(BO) the depth where we found all the water was 630 feet we originally planned to go to 600 feet were we only making about 85 gallons a minute.

(KB) right we were originally only going to go to 600 and then we agreed to allow them to go to 650 or 800?

(DH) We were going to try to 800 but it was \$3000 but then when we

(BO) we hit that dead zone and that slowed things down

(DH) there is a time element on how much things cost, the driller being out there, we made less progress than we had hoped that we would make.

(KB) So we found the water at 650

(BO) 630

(KB) 630, I was rounding up

(BO) close enough, again you never know until you drill and I can't emphasize that enough and I equate the same condition where we had with the misalignment.

(KB) The only thing I was concerned about with the you never know is I remember that we were only going to go to this depth and then we were like okay lets push it a little bit further, I wasn't aware that we just literally pushed a little bit further and found water my concern is with the geological formation changes if we went as deep as we were going to go and found this water.

(SB) depends on the underground reservoir that is really what it depends on, what the shape of it is

(KB) correct but what if the underground reservoir goes down

(MP) we don't know that, it is a gamble

(KB) Absolutely it is a gamble

(BO) Think of it like Swiss cheese the water and carbonate and limestone is cracks and solution openings and holes that are interconnected that is where all the water is coming from and the way that that limestone is fractured and dissolved is extremely variable from one point to the next. Now you might have a similar yield but the zones could be completely different or you could have a different yield depending on which holes.

(MP) So what do we want to do, do we want to have Forest do his work first and then we will make a decision about where to go next month?

(KB) yes

(SB) and we can look at it next month

(MP) Forest do you think you got the idea? Thank you very much Mr. O Donnell your contributions are very helpful.

(DH) One more thing, since we are still in the engineers report and while Brendan is here, within the last month or so we, you have received a notification or a reminder from SRBC that the docket for Well 1 was coming up for renewal in 2020 and I discussed that issue with Brendan and I sent John and Louis an email stating what does that mean and when do you need to get started on that and so forth. And Brendan is one of my go to guys for that issue and since he is here and spent the time to get here. If you had any questions about that process, tonight would be the time to get maybe a brief description of what it takes and why you do the things that you do or ask any questions about that. I only bring it up because it is an opportunity and if you don't, then we will let him go home. I know it is a late night already and we have barely touched the surface and maybe tonight is not the night. I think the bottom line is that he was recommending that you begin to gather the information that you have about Well 1 in terms of your operating data in hopes of avoiding having to do a long test.

(BO) you either have to do another aquifer test or you have to demonstrate the sustainability using your operational data and Louis and I have talked about this in the field. Water level and daily usage data as much of it that you have so I can start compiling it now and have someone take a look at it no later than next year just to see if it is feasible.

(MP) so we can put this off for a little bit?

(DH) yes until the first of next year

(MP) allow me to suggest that may be in our best interest this evening I am not sure if we are prepared to tackle that one. Okay thank you

(DH) we have already touched on the Matrix issues so we won't do that. 7 NPDES we have gotten the remainder of the tests and we are going to get those in here in the next day or so. 8 DEP chlorination point change in the water treatment plant, Louis has asked us as to a result of the filter plant performance evaluation to look at changing the chlorination point the post treatment chlorination point in the plant. We have put together a draft permit application to do that it is a relatively minor change, so he has got that to look at and we will be getting that into DEP hopefully based on this week with Louis schedule and his availability to look at that. One other thing because and I won't spend a lot of time on it because of the lateness of the hour. One of the things that we promised that we would do for you, when we interviewed in February was to watch out for opportunities of funding for projects. Something has come to our attention in the last week or two, to my attention within the last week of a funding opportunity that is put out by the state and it is put out by the Commonwealth Financing Authorities Small Water and Sewer Grant Program. There is 22 million dollars available through this program applications are to be put in Aug 1st through Oct 31st and I have got a packet to pass around. The activities can be construction improvements, expansion or rehabilitation of repair of water or sewer system. Funding the projects have to be no less than \$35,000 but no greater than \$50,000 total fund. When I first saw this I thought it might even be an opportunity to fund part of Possum Hollow but it appears through this description in can be no larger than \$500,000. I'm thinking \$500,000 but saying \$50,000 and I apologize. What we have been told, you are obviously and eligible entity and authority. On page 4 at the bottom it is actually the 4th page section 6 there is an application evaluation. What we are being told is that some of the things that are being strongly considered are substantial improvement in economic development and line extensions, which is again why I thought about Possum Hollow initially but I think that we are too big for that. Project readiness is also an issue so it would have to be a project that you would be able to get ready to do fairly quickly. The actual application itself is rather short but if you look over on page 6 at the bottom it is the last leaf. There is a number of things that have to be added as exhibits to demonstrate what the project is and what you are going to do and everything like that. Just wanted to make you aware of it since we had the opportunity to have the whole board be aware of it, if you wanted to look any further into it I could always talk to Michael, John, and Louis.

(MP) Certainly we should look into it, I think at the right time.

(DH) There are several projects on your capital improvements project that might fit into this category.

(MP) Absolutely

(DH) We will be willing to help you explore those opportunities. I will say one thing that it is important on these things to have good state legislative support. You need to talk to your legislators, your representatives and your senators to contact members of the board, who vote on projects it somewhat political and that would be a consideration.

(MP) thank you, yes we know who to go to; you have been very helpful, any questions for Dennis?

b. Solicitor- (FM) As Dennis said, I have been working on the easements. I have been meeting with some of the people, still working on the one that Dennis had identified as number 1. In fact I had actually had emailed correspondence today with their attorney, as it turns out. That piece of land, as well as the former dance hall, whatever it is, that triangular piece of land, plus the Eberly's tract where the big warehouse is, is being looked at by, according by Mr. Sailhamer, a national restaurant chain to buy the entire tract of land. I think that is what is kind of holding up Mr. Eberly's, the owner of the tract of land that we need the easement on his decision making. His attorney in Chambersburg, Ed Wingert I think Kerri probably knows him, did assure me that he was going to get a hold of him and couldn't, he has tried to get ahold of him and couldn't. He said he will get ahold of him and let me know what is going on. I think from what I understand and looking at the easement, I don't see that our easement is going to interfere with the use of that property.

(DH) No, it is right next to a drainage ditch

(FM) But that is not always in the mindset of someone who owns a piece of property that is not necessarily the way they always think, so we are working on that.

(DH) understood

(FM) There is a couple other ones, the weaver farm which is right at the eastern end of, the western end of the line that goes up to the tank that you have to connect and there is some. That is an Amish family they had some questions about the bank, because you told me that we had to remove part of their bank.

(DH) right

(FM) They are kind of sensitive to that, so we may need to have you involved in that. Otherwise I spent a good bit of time on, as you might expect, over the last month and particularly in the last 10 to 12 days on this special rate district 10 issues and then also I have the agreement with Shippensburg Township for the little building that they want to build over here. The rotary is going to build it but the agreement was that Shippensburg Township had to be involved with it. The township and the rotary have signed it, I didn't get time to make copies, but we can look at it maybe later on in the meeting and talk about it. If nobody has any questions, then that is all that I have.

(MP) Any questions for Mr. Myers? Okay then we will move on to Louis

c. Water Foreman (LL) My report is attached, it is pretty much self-explanatory. At the last meeting when the vehicle purchase was approved, I believe I heard a comment about the age of our fleet. That is why this number 6 is included there it gives you a list of our fleet with the make, model, year and mileage. So you have an overall idea what the fleet is. You should have in your packet; I see it is in two of them so I am assuming everybody got it, the quarterly reported HAA5 for this quarter that were reported. You can see that all the numbers are extremely low, like I alluded to in previous meetings as long as the numbers stay low that should alleviate that tier 2 requirement, I would caution the authority that DEP does not evaluate all of those items so roughly 20 days after the close of the quarter. So we tested in July, so it is July, August and September, DEP will not review the results until sometime in October. That is just the way they do things, so I would not expect to hear anything from them before then, they review them in bulk and that is when they put them up on their website. Other than that, we did have a water leak to fix today and we fixed that, it was just one of those things that happened.

(MP) okay does that conclude your report?

(LL) I think that is all for right now.

(MP) okay very good, thank you, John in the essence of saving time could you give us a highlight of the WWTP managers' report?

d. WWTP Manager (JE) Basically, it is business as usual at the plant. We are meeting with the engineer who did the corrective action plan for the WWTP on the 15th of this month there was several things that the group being CFJMA as well as the borough are not happy with, we are going to be demanding some answers from them. We have actually asked for the attendance of their higher ups who can actually make decisions hopefully, immediately because we can't expect the young man who is the engineer who has been working on it to make decisions for things that we are going to demand from them. So we are hopeful that that will bear fruit. It does appear that they have gotten behind on the finishing the plant, as you can see in Lance's report #5 we had material come in that had the wrong size holes in the mounting brackets so time was lost changing those things around but, it has become a struggle to get things going in a smooth productive manner down there. Lance has been very much on edge trying to get things moving along so we are hoping to make some progress with the right people come the 15th of this month. So but other than that, you can see that things are business as usual, he is a little concerned because of his drawn down for the plant expansion and we got school starting in a couple of weeks, so he is a little bit concerned because of that, I think he is only at 50% capacity at this point, so we are hoping everything turns out okay. We will just have to deal with it; it is just one of those things so that is pretty much what it is. If you have any questions certainly contact Lance if there is nothing in here that I could explain, he certainly can. Reports are moving on the I & I program, I think I did inform that we moved forward with the purchase of equipment, the truck and the video camera system, that has been ordered. We did receive the truck and it went right up to the camera place which is HACH, um it's on here, the company up here, Rousch. So it is at that location as we speak or maybe tomorrow sometime they will put more equipment in it. So that is moving along and we are excited about getting that going. So if you have any questions about that, certainly I will try to answer if not Lance can do a follow up for you, I will glad to pass along any questions.

(SB) I do have just one question; I don't want to keep us any longer. So if we are continuing to run the plant at 50% and we are expecting an increased amount of inflow due to the University being back. I mean is that something that if we get to a point where we can't treat the sewage is that something that pact 2 is paying to have it shipped somewhere else?

(JE) I don't know if we are going to be at the point where that will be an issue. I don't think it is critical but, it is an uncomfortable position to be in.

(SB) Right, because it places more responsibility and a tougher workload on Lance and his people.

(JE) If we would have torrential downpours or anything like that it just really changes everything. Kerri looked over because she knows, being on council that has been discussed many times but.

(KB) And October is Tsunami season here,

(JE) I know that that one storm we had two weeks ago, put a good bit of extra capacity into the plant for additional flow. He has not indicated that it is a critical matter at this point, but I know he is not comfortable with it so if anything changes or if there is any concern I will certainly let you know.

(MP) thank you

e. Secretary (JE) Other than what is on the agenda, I don't have anything additional. So we can discuss anything that I had for a few of these agenda items, that is basically all that I have Michael.

4. BUSINESS ITEMS:

a. Consideration to Execute 5th Amendment to a Joint Agreement Between the Cumberland Franklin Joint Municipal Authority, Twp. Of Southampton and Borough of Orrstown, Franklin County, Twp. Of Shippensburg and Twp. Of Southampton, Cumberland County, And the Borough of Shippensburg and the Shippensburg Borough Authority.

(FM) My understanding of this is back in 2014 discussions began between the CFJMA and the borough to increase the capacity of the plant by 650,000 gallons for the purpose of serving additional needs that CFJMA

had and that was subsequently approved and then they got into this project that would increase the capacity to 4.95 and keeping in mind that the original amount of capacity of the plant was about 2 ½ million gallons a day. That has pretty much doubled the size of it and of course you can read it yourself, but then they also talk about this inflow and infiltration which has been in Lances report periodically, so what this agreement essentially does is place a burden for the inflow and infiltration in this remediation program on the Borough. The cost of that is going to be burdened exclusively by the borough. It modifies the agreement whereas before the original agreement and subsequent amendments to the original agreement base reimbursements on the basis of capacities in the plant as far as any electrical modifications they would be equally shared. And then shares of the cost of Flow Study which was a WWTP modifications would be based on the percentage of the capacities in the plant at which this point in time CFJMA has 75.13% and the Borough has 24.87% of the capacity in the plant and then ratifies the rest of the agreement. And it was it was started back in August almost a year ago to the day in 2015 and for some reason or another, and Michael and I talked earlier on another issue, but as we looked through this you can see, SH Cumberland signed it in January, Shippensburg Township in March of this year, SH Franklin in April

(KB) April, May for some reason there has been a really long delay from Tom Ginnick to us getting this back.

(FM) I don't know what happened but nevertheless it ratifies I think what actually exists at the plant. In other words any upgrades in the future would be paid for 75% by CFJMA and 25% by the borough.

(KB) john this agreement is just now coming

(JE) I was under the impression that we would have seen this long before now, but there was a lot of conversation going back and forth between CFJMA and where we were with the improvements and how we were going to fund those that Forest just went over, there was a lot of talk so there was a lot of going back and forth with CFJMA until we finally got to the point where everybody was comfortable with where we were. What improvements would be made and the I & I was a big issue. Because they are saying listen we want to help, we want to get more involved with the plant expansion because it is going to benefit us. But things like the I & I have to be addressed because DEP said Shippensburg you have an I & I issue and you need to correct it. So we started taking that action. I think when we got the money we borrowed the money and obviously we were involved with that, the SBA was involved with that for the lease extension. CFJMA finally saw that the Borough was committed to this so it took time to get that all in place and I think that is largely why there was such a delay, Salzman Hughes just recommended that we bide our time get everything squared away make sure everybody is comfortable and then we will move forward. I think that is the brief explanation as to why there was such a delay. You can see it has only been three months since the borough council actually executed it so, you can see there was a time in there but I think everybody is comfortable now with how this will continue if we can get everybody moving along. Everybody is comfortable with how we are going to split the costs and deal with that.

(MP) what is the wish of the SBA concerning the 5th Amendment

(SB) Motion to approve and direct the chairman and the secretary to sign the document

(TP) second

(MP) Motioned by Mr. Brenize, seconded by Mr. Pomeroy

(MP) Any further discussion? All those in favor, consent by saying "aye"

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

(MP) motion carries unanimously

b. Consideration to establish project and preliminarily approve a water request of Shippensburg DDP, LLC – 200 GPD (New p,100 SF Dollar General Store)

(LL) This development or this project is going to be located on the corner of Mapleton and Orrstown Rd. They are requesting it is that big open lot there.

(SB) I know exactly where it is

(LL) that is where it is at, 200 gallons per day, equates for 2 EDUs an EDU being 160 or any portion thereof, that number is going to go up. They gave us in this request their domestic use. They are also going to have an irrigation system so with the irrigation system there is consumption. They are only putting in one water meter. So Dennis and I have talked we are asking them for calculations indicating what their peak usage would be for their irrigation so we can add it to this. But right now we are just looking to create the project preliminary approval of two EDUs and with the knowledge that the EDU count will probably go up.

(TP) Do we have an escrow check from them?

(LL) yes sir we do

(LL) There is a copy of it attached in here.

(SB) It is the GBT Investments Inc.

(LL) page 34

(MP) what is the wish of the SBA relative to this consideration to establish a project and preliminarily approve water request?

(ET) Motion to approve the preliminary document here from Dollar General with two EDUs as an estimate to begin with

(TP) second

(MP) Moved by Mr. Tsambiras second by Mr. Pomeroy, any further discussion? being none.

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

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

(MP) motion carries unanimously

c. Southern Cumberland Water Association Project Update and In Town Transfer Pump Station (Lurgan) Project by Dan Hershey, Hershey Engineering, Inc.

(DAN) Good Evening, a copy of my report should be in your packet, considering the time I will just give you a brief update. We were able to go out and visit the site with Louis on July 21st we were able to measure the site distance and locate access drive. I know there was some concern with that that is taken care of, we actually slid the drive down a little bit. I want to thank Louis for helping hold the rod while I measured down the street that was very helpful. So the permit is ready, I am just holding it until the survey is done and then we will submit it. As a matter of fact the survey is complete now I just got the CAT file this afternoon so we can start on the subdivision plans and start laying out the pump station. One thing I wanted to bring up in the original cost assessment, I would assume that we would leave the existing pressure reducing valve in place there is a vault there. PRV is in place and we would go around it similar how Well 1 and Well 2 were. When we did those projects we took the PRV out of the vault and actually put it in the building which is a lot nicer for operator they don't have to go into the ground, it is right there. At Well 1 and Well 2 the vault, the PRV is about 20 to 25 years old and in this case the PRV is only about 7 years old, is the right Louis, or is it 9, somewhere in that ballpark?

(LL) It is an 2009 or 2010 project.

(DAN) but Louis had the idea, of what we think we could do, is we build the building so that it could accommodate a future PRV, so when the useful life of that one is gone, we could put the new one in the building, so I think it is a good way to look towards the future with that, I thought it is a good idea it adds a little cost to the building but I think where we can make that up is when I did the original estimate we had \$15,000 for a chlorine booster pump in there, I don't think we are going to do that, we will actually have the monitoring at the tank and then in the future if you ever need to do chlorine boosting, we would actually do that at the Roxbury Tank, so no decision on that I just want to make you aware of where we were going with that, so all told it is awash with that as far as the cost. But I thought it was a good idea that we should go that way. Another quick update the biologist was out today, he didn't see anything out there that should stop us, wetlands, water ways not really a surprise. He is going to hold off on filing the PNDI onto we get the survey for the pump station on there and really define the project area just so we don't get a wild hit from a bog turtle or

something like that and get into a compliance that we don't want to or need to. And I want to say thank you to Forest he really hustled to get permission to get on to the property.

(FM) It is Mr. Keller not Mr. Keener

(DAN) You can correct that in your report it is Keller not Keener, I don't know how I did that. Yeah, Mr. Keller was out with Forest while the surveyors were out there and I think one of the things Mr. Keller passed on to us was to just take only as much land as we need. So that is what we are going to look at as we lay this out. Are there any questions on the report?

(MP) I have no questions, anyone else?

(DAN) I know it has been a long night and you have had a lot of heavy subjects, I am going to say I am not asking for any decision on this, I just want to give you the three to four minute big picture we have been talking about Southern Cumberland for a long time, show you the system what we are talking about, where we are at right now and where we are going. I am going to try and do that in 3 to 4 minutes or so, here if that is okay. This is an overview of the existing SCWA the blue lines are the existing 4" PVC lines, I would say all of those were installed in the late 1960's or early 1970's that is part of the system. So that is the blue lines on here that represents it and to give you an idea of where we are at, I am sorry, Walnut Bottom Road, High Rd, JLG industries and here is the mobile home park, Route 81, just to orient yourself as to where you are at. So blue lines is Southern Cumberland this purple line is an existing Shippensburg Authority line, that was the line that was run out to, what at the time was little Tikes, you probably remember that one well Forest. So the only thing that it serves out there right now is JLG.

(SB) and Lane, isn't Lane on that line

(LL) Lane Industries, right there

(DAN) and also serves as Lane, I didn't realize that, and then the inner connect that you have heard so much about with the SCWA is right there, so those are the two connections there at the end. The system is about 18,000 feet, 4" PVC pipe which was installed in the late '60's, there is a couple 1000 feet of PVC in Keswick Heights which is a new development that is a 6" line and then the mobile home park that we have heard so much about that is also a 6" line all PVC, and just Shippensburg uses ductile iron right now. They also have a water storage tank down here in the lower end. I know it is hard to see those pictures probably from where you are sitting but if you want to come up at some point and look, then there is a little treatment building there with a vault that is underneath the building. It has all the control valves in. I would say it was in really good shape considering the age, they actually have a dehumidifier, a heater in there, a sub pump, so it was in great condition considering the age on the facility. And then their source of water is Well 1 right here. They own this property it is about 1 acre I think, completely fenced in, barb wire fence and it includes the 100 foot radius around the well we have heard so much about tonight. They control all this, so they pump from the well, there is a little treatment building there, the only chemical they use is chlorine. So they pump from the well, chlorine disinfection, it goes into the water system and fills the tank. When the tank gets to a certain level the pressure goes up in the system and there is a pressure switch in the well that shuts the system off. So it really runs that simple, when the pressure comes down the well kicks on and fills the system, etc. and runs like that. There are some old control valves Louis and I looked at this right now they are actually offline it was a little more intricate system that I don't think was necessary. When we looked up the upgrades I will talk about more of the improvements in the report. We are going to take a lot of that out and simplify the system, get it to your standards if you decide to go down this road. So we upgrade the interconnect vault we looked at potentially moving the interconnect vault down here. I will address that more in the report and there was talk about Well 2. That is up here in the mobile home park, you can see from the arrow there is nothing there except for the test well so they never did the pump test, they didn't do any of that. They basically drilled the well they had a blown yield of 50 gallons per minute and I think that is where they stopped. They own that property so it includes a 100 foot radius, but they don't know exactly how good that well is, because they never actually pump tested it. At the time their hope was that the mobile home park was going to contribute to developing that well, but it

never happened. Big update in status as far as the mobile home park, I know that was a concern at the time because of the quality of construction in there, there is currently an agreement in place between the SCWA and the owner of the mobile home park, the name is escaping me right now

(FM) yes, me too

(DAN) Velocity partners, what the agreement states is that the SCWA is going to install a master meter there. Which I think is the way to go, they put a master meter there, then anything that happens downstream, whether it is usage or a leak or anything like that goes through the meter and they get billed for it. So that way the SCWA or the SBA takes it over, they don't own those lines it's the mobile home park that owns those lines. Because there was a lot of question about the quality of that, the one catch is that the SCWA is paying for the master meter, so it is pulling from their funds we will take that into account when we look at the financial analysis. As far as where they are operating financially right now, they run at a breakeven point essentially, when you look at depreciation and everything in there. If you pull depreciation out they do bring money in each year and they are putting it away, you know they have roughly a hundred thousand or so in the bank give or take. But really with the rates where they are right now, they are breakeven. So we are going to look at that as part of the analysis, if we need to raise the rates, how much for this district so that can not only cover their costs but you can actually be able to fund any improvements that would be needed to bring it up to your standards for long term, for long term capital improvements. That's where we are at, that is where we are going. I would say, I met with Mr. Fink before this meeting he, I think I actually got the original document, they saved everything, I mean everything, the original documents from 1969 when they put the system into place. So we have the original costs, I think it was \$50,000 for the tank and \$68,000 for all the water lines, so we have those costs to come up with a good evaluation of the system based on the install cost, depreciated value and that all will part of the report. Dennis brought up the funding through CFA, Commonwealth Funding Assoc.

(DH) it could be used for the improvements

(DAN) Yes, SWCA improvements or the Lurgan Pump Station Improvements, good fit for those projects \$30,000 to \$500,000 half a million dollars these would be a great fit. I would think especially this one, would probably get some interest. That is kind of the big picture, of where we are at, and where we are going. My goal is to have a report in your hands at least a week before the meeting so you have a chance to look it over. I will be here and I can answer any questions you have regarding this system, finances whatever.

(LL) The only general comment I have about the potential projects up there #2 which is to replace customer meters. We don't have to replace their meters but we do have to install the radio units, the meters that they installed several years ago were the same meters that we use and the same system that we use. So all we have to do is to put the radio unit on and we are ready to read them after we build all the accounts and everything. That is roughly \$135 per unit plus labor, so that is the only comment. I mean other than that there's...

(DAN) I will get the costs for those units, I know we kicked those around over the years, and all those numbers will be tied in as part of the capital improvements plan.

(LL) I think another generic comment if we could get funding through this grant there is a couple of really good potential projects in here, individually through this system that would benefit from that.

(DH) Part of the challenge would be getting them ready, because readiness is one of the criteria

(DAN) are there any other questions?

(MP) I have no questions, any questions for Dan?

(SB) I think it was a good presentation, we are moving in the right direction

(DAN) thanks for having me

d. Consideration to Upgrade Snow Plow System for New SBA Truck

(JE) I sent this out to everybody the other week, I talked to Michael, and we thought it would be best to have a quick conversation. This was brought to my attention, prior to placing the order as you know with the truck we went ahead and ordered an 8ft plow it is a basic plow, it is a Myers Plow, but Louis, Kevin and I have talked

about this Boss Power V plow instead of just a straight plow and again I missed it. So what it is, is we were wondering if it was okay if the SBA was okay with making a change order and it is a very minor change order to upgrade the Myers straight plow to the Boss V plow, the benefits of this plow is that it is very maneuverable it can do exactly like it says, it can be moved into a V formation, it can be moved around to where it is much more maneuverable there was a question raised, does the SBA need a plow, well my reply to that was absolutely, because snow events there is going to be many times where it is going to take the SBA guys and trucks to get to where they got to go as far as anything with the SBA. So ultimately the difference in the cost was not that great, unfortunately I did not write that number down.

(LL) about \$1300 or \$1400 I think

(JE) I thought I had it marked down, it was about \$1500 difference. The Myers Plow was \$5350.00 and the Boss V Plow was \$6920.00 that is the difference in the price, so about \$1600.00 a little bit less. It would be a more useful plow for the SBA and in the event the SBA lends a hand to the borough, certainly any plow that can help us get snow out of the way would be useful. It is a very versatile plow and for the amount of money we are hoping that we can get permission to go ahead and tell them to instead of putting the Myers Plow, to go with the Boss V plow

(MP) any comments what do you all think?

(SB) I guess performance wise does this add a level of performance to the plowing ability of the vehicle?

(JE) Absolutely

(SB) so basically the justification for this is if something is going on in the water system, we are in the middle of a blizzard it increases the effectiveness of whoever is driving that vehicle and we have that vehicle available to get to the top of the tower if we have to get to the top of tower to do something.

(LL) yes

(SB) okay that is the reasoning for this, is that it adds a level of effectiveness that if worst case scenario, something happens this is sort of an extra level of insurance to be able to decrease the negative effect of something happening.

(JE) right it gives you the option

(SB) Right the whole life of the vehicle, we may not be able to use it for what it does, but it is \$1600.00 that could return on an investment in a positive way

(JE) we can move snow Steve in positions that you cannot do normally with a straight plow, in the event we have to. If they need to go in with a V formation they can and push it straight forward without having to push it to the side. Multiple positions that is the benefit to it, it gives a lot more versatility to the plow operator for ingress, egress and certain situations.

(MP) any other questions?

(TP) fine by me

(MP) fine by you, you guys good? Buy a plow

(FM) you have to make a motion

(ET) I make a motion that we switch from the Myers to the Boss plow

(SB) second

(MP) Moved by Mr. Tsambiras, second by Mr. Brenize that we switch from purchasing a Myers to a Boss Plow 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

e. Discussion of how the SBA Can Provide Information to Customers about Water Safety.

(MP) this is a very important item, and I would like us to thoroughly discuss it, but I think looking at the clock, let's table this for this evening. Let's bring it back on the agenda for another night, perhaps the next meeting.

f. Follow Up on Tower Point Offer to Purchase Tower Lease

(FM) I mean essentially, what this company is offering to do, is to buy the lease and they say the remaining part of the lease for \$801,000 and some change and pay you in 20 installments of \$40,000 plus or minus, plus you would get any new tint, if it goes on there. So if somebody puts a facility on there, you would get 50% of that.

(JE) co-location

(FM) but when I looked at this, right now, your lease is paying you about \$3200.00 a month, it's not \$40,000 a year but it is darn close. So I don't see any advantage to this because from what, I think that the authority has gotten the lease under control because there was a time that we didn't know who was on the tower and we didn't even know what they were paying and I have said this before, I got involved and started writing letters, wanting copies of the sub leases and then we got a check for \$69,000. So I guess my recommendation is I don't see any advantage to the authority. Now if they were going to pay you \$801,000 up front, maybe that is worth it, with the value of money, invested. Given the fact that you are making \$38,000 a year and what they are proposing to pay you.

(SB) with a company that we already have a working relationship with and we know who they are.

(FM) I am not sure there is any advantage to you, so my recommendation would be to thank them for their interest and tell them that the authority is not interested but it is not my decision.

(MP) What do you all think?

(KB) I agree

(SB) on that though, we didn't sign a notice of closure with this, did we?

(JE) no we didn't do anything

(FM) this came out of the clear blue sky

(SB) can we send this and say we had an offer; we would like to give you the opportunity to match it

(KB) why, would we

(ET) you mean bump it up \$2000, but then 20 years it is over

(LL) right now we have an escalator on our current lease, when someone else attaches themselves to the tower we get a percentage of it. Tomorrow, we could get another customer on the tower and it would put us over \$40,000 even.

(FM) You can write them a letter and say, hey if you want to pay us \$802,000 up front maybe we can talk.

(SB) I was just throwing that out as an idea, like you said there is an escalator, the escalator is in here so there is the landlord share of additional revenue generator of 50% and then new tenant rent 50% that was on there

(FM) Yes, but you are already getting 15% every couple years it goes up

(JE) I can tell you that at my former local government employment, we had two towers, one down in our park and one at our township building. These people were harping us constantly to buy out our lease and if they are willing to pay this kind of money, what do you think the silver lining for them really is? So they see a rainbow of gold here, and I would absolutely recommend that we do not even consider it, that is my opinion.

(MP) Okay just send a letter and say thanks but we are content with what we have.

5. Financial Review

a. Consideration to approve Shippensburg Borough Invoice for July 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 any further discussion

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

Any opposed No? ***silence

Motion carries unanimously.

6.Executive Session(Legal Matters pertaining to United Business Park) as well as Personnel issues

Adjourn time is 9:25pm returned 11:19pm

7. Any other business

(MP) Mr. Tsambiras, Kerri, Steve, Forest, John?

8. Adjournment

(SB) Motion to adjourn

(TP) second

A handwritten signature in black ink, appearing to be "L. M. S. J.", written over a horizontal line.

Secretary

Next meeting September 13, 2016

