



8. Financial Review

a. Consideration to approve Shippensburg Borough Invoice for September 2015 70-109

9. Executive Session (if necessary)

10. Any other business

11. Adjournment

Next Meeting  
November 10, 2015

# BOROUGH OF SHIPPENSBURG

BOARD SBA

DATE 10/13/2015

Name

Address

Name	Address
Dale Heberlig	P.O.

Shippensburg Borough Authority Minutes  
October 13, 2015  
7:00 pm

Present:

Louis Larson (LL)  
Troy Pomeroy (TP)  
Kerri Burrows (KB)  
Michael Pimental (MP)

Absent:

Steve Brenize (SB)          Geno Torri (GT)  
John Epley (JE)  
Forest Myers (FM)  
Dan Hershey (DH)

**1.Public Comment:** No public present. members of the press-Dale Heberlig (public opinion)

**2.CONSIDERATION TO APPROVE MEETING MINUTES OF SEPTEMBER 8, 2015:** (GT) pages 1-27.

(MP) So moved

(GT) Motioned by Michael

(TP) I got some changes on 25 and 26, but I will second it.

(GT) Seconded by Troy, and some adjustments

(TP) Bottom of page 25, I don't even know what I was saying, just phenomenal for to me to grasp, I mean to go out there and do, I think do should be between and one and that's all, and the next line, I see that, should probably be a comma there, I see that it makes me wonder. And then at the end of that line I said at one time about if they do a PA1 call, PA1 marking and maintenance on system and then one marking or several that's just me and then on the next page, Ok, I just threw that out there. When I look down across there, I think it should show how many. And that's all I had.

(GT) Any other corrections or adjustments? Hearing none, all in favor signify by saying "I".

\*\*\* Unison "I's" are heard

(GT) Motion carries thank you.

**3.CONSIDERATION TO APPROVE WORK SESSION MINUTES OF SEPTEMBER 16, 2015:** (GT) pages 28-42

(TP) So moved

(GT) Motion moved by Troy

(MP) I'll second

(GT) Seconded by Michael, any comments? Corrections? Hearing none, all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) Motion carries thank you.

#### **4. REPORTS:**

**a. Engineer-** (DH) Thank you, a copy of the report is in your packet.

Well # 2 improvements, the public water supply permit is still under review, I plan on emailing Troy, Steve and Louis and John similar to last time, to set up an appointment to review the 90% documents. No update on my end on the chiller plant. Well #4, no activity, just a follow up. We did additional follow up with Louis on the fire flow analysis and mapping. Under the EOR number is where I put some research into setting up a special rate district for the tapping fee impacts for the Possum Hollow Rd line and maybe best if we covered that under the capital improvements projects and go into more detail with that and then I had some discussions with Louis regarding high DBP (disinfection by product) that they have to test for on a quarterly basis and there was some high results for October and maybe some things we should talk about also under the capital improvements projects. Seems this time of year they have been getting a spike in the DBP results and typically that's tied with water age or high organics that you might get at the surface water treatment plant. So they were a little high, it's nothing to be concerned about at this point other than to look at operational changes we may be able to make to improve the water quality. Louis, like we said, I don't know if you want to go into any more depth in your report or during the capital improvements projects for that. And then on the SR997 report, I didn't get, I touched base with Penn Dot but didn't hear back from them, so I am going to try again. I know with the budget cuts we have gotten, I don't know if that slowed things down, we have gotten directives from them on some projects there is no travel anymore and to stop work on some of them. So, I am going to follow up again though, I am a little concerned that I haven't heard anything now for a few weeks. That's all I have for the report.

(GT) Any, questions for Dan? Hearing none, now we will move on to, can we just jump down to water foreman? We will skip the Solicitor for right now. Since, we are talking about this DBP.

**c. Water Foreman** (LL) My Report is in there a copy of things, Item number 3 on my report is what Dan was talking about. The THM & HAA5's are the quarterly testing. The first test was taken July 15<sup>th</sup> and there was a problem at the lab and they essentially lost their certification because of their issues. Originally we thought it was just for these two items but as I found out later, the lab has been completely decertified. So, we got another lab to test, 5 weeks into the quarter and they said just use the bottles that you have, which were from the other lab. We took those samples and all those samples came back extremely bad, high numbers, nothing water quality wise, just high numbers. So, I immediately rejected them and said there is no way these numbers can be possible, we tested again, the HAA5's all the sites came back within limits. The THM are a tad above the max, however, the quarterly and the yearly running annual average were fine, were under the max, so the only thing we may see is a violation for reporting of the July sample on the DEP website. Now, that doesn't necessarily mean anything for us because if the DEP has the paperwork, we sampled on time. This was a lab mistake, so it will not count against us. So we are good on that, the other item or a couple other ones, the saw that we ordered is going to be delivered on the 20<sup>th</sup>. Reference the SR997 project they are moving ahead slowly they were out, Weds or Thurs of last week physically locating the water line, to verify it for the plans.

(DH) Did you talk to anyone?

(LL) I got a call from the contractor, I have not talked to anybody from DEP. But the contractor seems to believe that it's online for next year. At least that is the impression I got. Do you want to take note at Well #3 'he chlorine maker we started to have problems with that again, we changed the relay. I got a call into the tech wizards if you remember a year, a year and a half ago we were having a lot of problems, thought we had them

all straightened out, it the same problem starting to come back again, so I don't know what's going on there. I am not going to play games with them like we did the last time; they need to get this solved within the next couple of months. If not, then I may be coming back to the authority for direction as to what we are going to do. Because I can't keep replacing \$300-\$400 relays plus shipping every 5 months, it doesn't work. Other than that, that's all I have under my report.

(GT) Any questions for Louis? Hearing none, we will now go to the Solicitor and we have a number of items for you.

**b. Solicitor-** (FM) Most of the items I have to address are on the agenda, with the exception of the sale of the land out here at the farm, so to speak, we did have a hearing last Tuesday, Mr. Torri was there, the purchaser was there, there was no hearing but we were all there because in the past I've had judges who had wanted to hear testimony and we got an order so we are in a position to be available to transfer those properties and if you recall the bid was \$25,000.00 and the buyer Mr. Chamberlain would pay all the expensed associated with the legal fees and he has already paid the surveyor, but the legal fees, and the costs and everything like that. I'm going to get Geno to sign the deeds tonight and schedule a hearing with Mr. Chamberlain, probably later this week or the first of next week and bring a check down to Mr. Epley for the costs otherwise everything else is on an agenda.

(GT) WWTP Manager

**d. WWTP Manager** (JE) That is the report that we were asked to provide from the waste water treatment manager on a monthly basis. That is Lance's most recent report for the authority.

(GT) Any questions for John about that? Hearing none, we will go to the secretary's report.

**e. Secretary:** (JE) I really only have one thing to bring up to the authority tonight, this was just handed to me this morning. Actually early afternoon, I got a request for water forgiveness, it is from Kathryn Snell location is 12322 Forge Hill Rd Orrstown. There is no letter with it, except that it was explained to me that, apparently this water line services her residence plus, an animal/vet office or something to that effect?

(FM) 12322 Forge Hill Rd, that's going out to the water treatment plant.

(JE) The application says Kathryn

(FM) Or is that the old roller skating rink?

(JE) I'm sorry that is exactly what it was, the roller skating rink, I don't know where I came up with the animal thing, I apologize.

(FM) Same difference, Lol. Animals running around on roller skates.

(JE) There is some history of leaks out here.

(KB) You said Blue Mountain Ridge Roller Skating Rink?

(JE) Apparently there is a history of problems out here, they have one water meter but its providing water to two locations and the stance of the authority has been that it's serving a commercial property. And you can't distinguish where, what water is going in which direction because there is only one meter and they have had it denied in the past for water relief and they are asking again because apparently she doesn't believe that she shouldn't be exempt or that she should be exempt and not have to pay because of the roller rink.

(SB)I think if you research this properly the Snell's used to own the roller rink.

(FM)It's all one tract of land. It's not separate, or subdivision, like somebody else owns the roller rink and they own the house along the road, the own the entire plot.

(LL) it's not been sub-divided.

(JE) This dates back to 2008, with this use here, clear to the last incident was reported 3/8/12.

(KB)So her issue is she is paying for the roller rink's water? And she doesn't want to.

(JE)Well, apparently there is a leak, because her bill was \$1934.40 and she is requesting relief \$1786.11 but history has shown there is no way to distinguish where the leak is and it is not just serving a residential property its serving commercial.

(LL) There is one meter for that property and it serves both facilities which are owned by them.

(SB) And our bi-laws only allow forgiveness for residential only.

(LL) Residential only

(JE) specifically

(SB) specifically

(FM) Which is why it was denied in the past

(LL) Which is why it was denied in the past and they know they have leaks in their water line out there, multiple times and I think all they are doing to their lines, instead of replacing them, is just patching them and when you patch them in one place they sprinkle and leak in another, in my opinion. But, it's just, I know they haven't dug anything up and replaced any actual water lines out there. But there is one meter, it does split after the meter goes to the house and to the roller rink.

(JE) It says any residential owner using authority water conforming to the income limits, established by the authority, industrial, institutional, governmental or charitable customers are not eligible under this policy.

(LL) That's commercial.

(SB) Part of its commercial anyway

(JE) I was asked to bring it up at the authority tonight so there it is, I asked for your direction on how to deal with it.

(GT) Handle it according to the rules and regulations.

(JE) Alright

(GT) Anything else John?

(JE) No Sir not at this time.

(GT) Thank you

(JE) Your welcome

#### **4. BUSINESS ITEMS:**

a. **Discussion of 2016-2017 Projects from Workshop Meeting** (GT) We do have a page on that and John wanted this on here just to put it into these minutes that we reviewed what we have here as Phase 1, 2, 3 and a decision was to work into the budget for 2016-2017 the items that are identified under phase 1 which is the Well #2 upgrade Possum Hollow, Mt Rock, United Business Park, In-town transfer station and Well #4 through test hole. Any discussion on that? We spent a whole evening on that, so that puts it into our minutes.

(JE) yes, sir that is all we needed.

(GT) Okay thank you John

(JE) Thank you

b. **Consideration to establish project and preliminarily approve a water request of Matrix Development Group Warehouse for 65 EDUs (exit 24/United Business Park)** (GT) Dan do we have the water?

(DH) Well, this would be just to establish the project, so I didn't do any review at this point.

(GT) okay

(DH) So you just need to authorize me to create a project number for me to begin my work.

(LL) On that, Mr. Chairman, they have submitted a request for the amount of water that's in here, they have also deposited the \$3000 escrow check with us, so we are good to go. There will be some plan review, mainly because it will be a tap and a meter pit and that's about it. As the project is right now, there should not be any extension of our water lines.

(GT) I am requesting a motion to authorize a preliminary study of the plan, of the request.

(MP) So moved

(GT) Motioned by Michael

(TP) Second

(GT) Seconded by Troy, any other discussion?

(SB) The only thing I would like to discuss is the, In here they are talking about the booster pump and a storage tank, if during discussion we can make sure we communicate with them and let them know what our future plans are so they don't put a whole bunch of money into building a booster station and a storage tank if they don't need one if we go under US 81. There is no point of them spending \$2 million upgrading the property if by us fixing the issue down the road, it would be better for them to participate and join us and pay for the bore, then to waste money creating a tank for a future need, that they might not need. I am just saying if that does end up being part of the ...but yeah approved no problem at all but I am, just make sure we are communicating with them where we are trying to move so that they are not throwing money at building as we currently are, without knowing what we are attempting to do.

(KB) He would rather have them throw their money at us.

(SB) Well, for them to have their water needs, if it's going to cost them \$2 million, I would just rather have them throw it to us and take care of it that way.

(MP) We are cheaper.

(GT) Well said, any other comments? For Dan? For Louis? Alright hearing none, all in favor of the approval of the study signify by saying "I"

- c. **Consideration to establish project and preliminarily approve a water request of US Express for 8 EDUs at 1069 Seibert Ave (\$3000 Escrow Received)** (LL) This is an ongoing request it comes up and it dies, and it comes up and it dies, well its back up again, we did get the \$3000 escrow check, here again, this is going to be a tap and a water meter pit and that's about the extent of it for their facilities.

(KB) You got the original

(SB) Who would like this? Does this go back to John? I got the original.

(JE) You got the original?

(KB) He got the original!

(SB) I think I might have the original on the next one.

(KB) No, mine is blue too.

(SB) Yours is blue too? Okay

(JE) Why would you take my copies? 😊

(GT) Once again I needed a motion to establish a project and a preliminary approval.

(MP) So moved

(SB) Second

(GT) Motioned by Michael, seconded by Steve any other comments? Appearing none, all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) Motion carries thank you.

- d. **Discussion of Easement across Lands of Rosenberry and Ott along Airport Rd, Southampton Twp. Cumberland County.** (LL) I believe it was last week, I got a call from Mrs.

Rosenberry out there on Airport Rd about the easements and she wanted her water tap, that was in the easement agreement that we got from Pro Logis Project years ago. I explained to her that the water line had not been put in and she said that the facility is up and running. And I said yes, they put in a well and it was, at our point we weren't going to run the water line because there was no reason for us to run it. She started talking about an attorney and easement and all this and at that time I said you need to talk to our solicitor. That's where I left it so, Forest.

(FM) This is part of the old Pro Logis project and that project envisioned a water line coming down Airport Rd to Airport Lane and leaving the public right of way, crossing through Airport Lane and across the old Airport,

maybe it's still an Airport, going under the railroad tracks and going through the Pro Logis property out to Rte 174. They authority acquired the rights of way that were necessary along Airport Rd, my understanding is the line was put in the ground, there is a line in the ground but it was never dedicated to the authority and it was never actuated, I guess would be the right way of putting it. There was never any water put in it.

(LL) There is only about 800ft of water line in the ground and it's connected to dirt on both ends.

(FM) Okay so there is a water line there, but right now there is no water in it, no possibility of putting water in it and Pro Logis obviously abandoned the project because part of their whole arrangement was as I understand it, they had the option to buy the airport and that fell apart and the price was raised and they just decided not to do it and that's where their project stopped. Mrs. Rosenberry and I talked quite a while about it last week and I told her, first of all there is no water in the line and the authority doesn't have any intention to put any water in the line, because it is impossible unless they would run the line further and we have no need for the easement. So my advice to you is to authorize me to prepare the documents to have her easement, because she said as Louis mentioned, she either wants, I want me easement back or I want water. Well there is no possibility of the authority giving her water, so obviously let's give her, her easement back, should this ever come up in the future, we can require the easement again, you know at some point in time.

(LL) My recommendation to the authority would be, that we vacate all the easements that we got for that project along Airport Rd, not just Mrs. Rosenberry's and I guess Mr. Ott's but all of them.

(FM) Yeah

(LL) So that they all go away

(SB) And we have, are we sure that Pro Logis has the amount of water they need? That they aren't going to be coming to us like next month and say hey we messed up, our well doesn't give us enough water, we need public water?

(LL) They apparently have a public water supply permit from DEP to serve that facility.

(SB) That was nice of them.

(FM) My comment to you on that, Steven is that the line that Pro Logis was granted was a compromise by the authority it would not have been but for one member of the authority that fought for that, otherwise they would have been required to run their line up to Hershey Rd, out Hershey Rd to 174, down 174 for the project. So if somebody wants to get water, public water at that location in the future if you be in the authority stand by your normal protocol they wouldn't be able to use the easement, they would use this easement, but they would have to acquire a whole lot more easements and everything so I don't think this would be a big imposition on someone who wanted to do that. Again my recommendation would be that you vacate the easements and Louis is right, we should vacate all of them.

(MP) Is it just a direction? Or do you think we need a motion?

(FM) I think you probably it, they are legal documents recorded that you would need a motion

(GT) I am requesting a motion to vacate all easements associated with the Pro Logis project

(MP) I'd move that, sure

(SB) Second

(GT) motioned by Michael, seconded by Steve. Any other discussion or comments? Hearing none, all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) Motion carries

**g.Consideration to Approve Resolution 15-001 Authorizing the Filing of a Declaration of Taking and All Necessary Action for the Acquisition of Real Estate in Southampton Township, Cumberland County, Pennsylvania Being Lands of New Enterprise Stone and Lime Company, Inc.**

'FM) The reason why this is being done, is without this, the land owner of this property is in clean and green and if they just sold this land to the borough, the county would impose what is called a roll back tax on these

people. What a roll back tax means is that they would collect the entire amount of tax that would be on this property but for the clean and green and it goes back 5 years, it can amount to a tremendous amount of money if the property is taking because there is a condemnation pending which this resolution would authorize then the roll back tax is not applicable. So I would ask that you would approve that resolution that would authorize the preparation of necessary documents to condemn the property understanding that they would never be put into effect but it could actually be a situation if they re-nigged or something like that you may want to use it anyway, so that would be my recommendation with respect to that.

(SB) So it is a step since we are trying to improve our water system and they are not selling the land to a private developer and pulling it out of clean and green and that we have been communicating with them, that they are not getting punished for selling us the property.

(FM) Absolutely

(SB) Okay

(GT) Do I have a motion to approve resolution 15-001?

(SB) So moved

(GT) Motioned by Steve

(TP) Second

(GT) Seconded by Troy, any other discussion? Hearing none all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) Motion carries, thank you

**e.Consideration to enter into an Land Use Indemnification between the Shippensburg Borough Authority and New Enterprise Stone and Lime Company Inc.**

(FM) same property simply you have a license agreement that was approved recently, this is simply to indemnify them, if Dan goes out there and breaks his leg, and sues the land owner, they want the Borough Authority to indemnify them against that loss, and there are other documents that would be an insurance, I can get with John on that, but primarily that is what the purpose of that is.

(GT) Okay, do I have a motion to approve the agreement of land use indemnification?

(TP) So moved

(GT) Motioned by Troy, seconded by...

(SB) second

(GT) by Steve, any other discussion? Hearing none, all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) Motion carries, thank you

**f.Consideration to enter into an Option Agreement between the Shippensburg Borough Authority and New Enterprise Stone and Lime Company Inc.**

(GT) And last but certainly not least, you remember that when we began this process to acquire this property in SH Township Cumberland County. First of all I did get an email from Greg Willy he indicated that this property, when we had discussions, this property is not part of their permitted mining operation. So that releases a lot of angst by everybody about it, but we said that we would like to have a license agreement but we also wanted an option agreement before we began to do, or spend money so to speak, they have come back and essentially this is the same agreement that I had proposed to them with the exception that they put a price on the property. And the price they put on the property you can see is \$115,000 for the 12 acres which is slightly more than \$10,000 an acre but probably about what the property is assessed at in the county. And frankly I believe that's a fairly reasonable price. You would recall you paid \$200,000 for roughly 25 acres for Well site #3. So I would recommend that you would authorize the appropriate officers to sign this and we have a license agreement and you can begin your due diligence if you want to put a well there. I would say after this is in place I will approach the adjoining landowner, who by the way, has his land for sale, at an outlandish price I might add.

(LL)\$90,000.00 a parcel, for 5 acres

(FM) for 5 acres

(SB) You can always ask.

(FM) But, I would approach him to get an option on it and my suspicion is that will be a harder sale.

(MP) Sounds like they know what is going on

(FM) I don't believe, I wouldn't know why, I mean

(KB) I don't know, I agree with Mike it's awful suspicious

(FM) His property, by the way is assessed at...

(LL) I think it's about half of that.

(FM) Of course that was for only one tract. The value that the county assessed is...

(LL) He has two tracts, two 5 acre tracts, we would only be interested in one of them.

(FM) They valued it at \$50,000 for 5 acres which is consistent with the Valley Quarries' roughly \$10,000 an acre.

(MP) One step at a time

(GT) Do I have a motion to approve the option agreement?

(SB) Motion to approve the option agreement between SBA and the New Enterprise Stone and Lime Co. Inc.

(TP) second

(GT) Motioned by Steve, seconded by Troy, any other discussion? Hearing none, all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) thank you

#### **6. Follow-Up Southern Cumberland Water Association**

(GT) If you recall they scheduled an association meeting which, last month and apparently they did have that meeting and we did receive a letter from their attorney indicating it was unanimously approved to move ahead with our incorporation of their system, with that there is a lot that needs worked on, before we go any further with that, Mr. Myers can you bring us up to speed, as to where we are and where we are to go?

(FM) They did have the meeting, part of your pack you notice they did get an agreement. Louis and I are pretty much in agreement that that agreement isn't something that this authority would be willing to have carried over.

(GT) Are you talking about the agreement with the mobile home park?

(FM) With the mobile home park, because that was one of the sticking points that the authority had was, what happens down there, you know what's going to happen down there?

(GT) As I read that agreement, that is between them.

(FM) Right

(GT) There is no association with us.

(FM) I would suggest that probably the property owner believes that we, if we as an authority merge with or however it happens or whatever you want to call it, take over the operation with Southern Cumberland that that agreement would transcend to the authority. I made it clear with Mr. Flower that that's not the case that's there's to many...

(GT) But up until this letter, this agreement letter, there was no agreement, there was nothing between them. We got them to do that.

(SB) Right, I think that was the comment that was made.

(GT) We are moving slowly in the right direction.

(SB) When you were out, they made some progress, just not the progress we wanted them to make.

(FM) Right, so in any event, they did have their meeting, at the request at the authority, had approached them as far as having a member there and Mr. Flowers said he didn't believe that would be necessary at that meeting as you can see they had their meeting and it was unanimous that they want to move forward with the transfer of their assets to the borough authority.

(KB) Do you know how many people said that?

(SB) What was the question that was called? Did we have the specific, what they were unanimous to?

(FM) No, I don't what that was

(KB) Or how many there was?

(SB) We can come up with some kind of statement that we all would agree on, but then there could be a similar statement that we might not agree on, and it's important for us to know the language.

(LL) If, I remember the rules and regulations that they gave, that they operate by, it is the majority of the members present at the meeting.

(FM) That's their quorum.

(LL) That's their quorum.

(MP) So, Mr. Fink could have voted all by himself.

(LL) I think they still need to have three people there.

(KB) What Steve is asking about, is what where they unanimous about?

(SB) Yes, were they unanimous to this notice? Or was the question, when they called the question, what was the question called?

(FM) I wasn't there so I can't answer that, we can find that out.

(KB) I am actually kind of surprised that the meeting minutes weren't attached to this letter from Mr. Flower.

(FM) They may not have meeting minutes.

(KB) Well they have to.

(SB) I mean if they had 1,2,3,4,5 if that is what they voted on was, you know that basically the recommendation was 1,2,3,4,5, and they voted on 1,2,3,4,5, then is that something we are comfortable moving forward with? If it is something, you know we are going to take them over and it's not going cost them anything out of pocket, then maybe that happens, maybe it doesn't. If it was worded that they are going to pay the current rates that we are paying like were they told there might be a rate district were they told all the information they needed to be told?

(KB) I think what we feared is coming true, is that they basically are putting the cart way in front of the horse and they just had their members agree to something that we haven't either considered.

(FM) Well, part of the discussions and maybe before you were, because this has been going on now for 18 months, 24 months. Part of the discussion was to at least have some consensus among their members that if the authority does all these studies, it's the engineer, the finances, etc. it says that they are willing to take it over, that the membership just doesn't come back and say, screw you, we are not going to agree to it. It is an association it's not a corporation so, the members have the say.

(KB) Right we don't know, how many people were at the meeting right?

(FM) No, I don't know that either, I don't know the minutes; I don't know the... that's not what he gave me. I would say in good faith, that I would have to believe that there were enough members there that it was not, you know three people sitting around in a room and saying let's go. I just have to believe that, I can't prove that, but I can certainly ask those questions. But, at this point the question is, if you, you may not recall, but if, when this first came to the authority, by Mr. Fink the authority requested a deposit of \$25,000 against the cost for the treasurer, Dan, me if there was anything, so forth, when it stalled and the authority wasn't getting the financial reports that had been requested, they weren't getting information that was requested, you took action as an authority and said we are not going forward and sent back whatever money that was left, and I don't know how much that was, but John can probably figure that out. My comment to you would be, the next step would be to have them reinstitute that escrow account, at some number whether its \$20,000 or \$25,000 that's what they did before.

(SB) We could basically, because I would like to have more information, from reading Flowers letter, the second paragraph after do we notice, duly given the members of the SCWA met and voted unanimously in favor of pursuing the transfer of the association assets, liabilities and management to the borough authorities so that is

a letter from their solicitor saying that they voted in favor of pursuing the transfer. So like you are saying at this point they want to pursue the transfer.

(FM) However many members were there, they voted unanimously, to do this so my advice to you is, the next step would be to have them reinstate or reinstitute that escrow account and since they put up \$25,000 to begin with, I would recommend that they do that again. And then authorize your engineer and your treasurer to engage with these people that he mentions in here to do the necessary study, to determine if you even want to it over.

(MP) There was a letter sent, we had worked out the whole flow chart of the steps that we were going to be taking, we are going to take this operation over. That was before Mr. Flower was; this Mr. Flower was their attorney, so perhaps...

(FM) Yah, his brother who he died, was their attorney

(MP) So perhaps, asking them for an escrow was fine, but perhaps we should send that letter back as long as all the components of that letter is still the right process and letting their attorney, from attorney to attorney understanding what the process will be and what the escrow cost we are asking for will cover.

(SB) Basically, figuring out what step, where are we at? Are we at, are we past step or are we half way through step one?

(MP) Plus to make sure we make sure they fully understand from their attorneys prospective, make sure their attorney understands what it is we are asking for.

(GT) Yes we need someone on their side who understands what is going on.

(SB) Who understands we are not asking for money to take them over we are asking for money to investigate if it is something we are willing to offer them.

(FM) Okay this is the agreement we presented them to...

(GT) Before we spend any more time on the evening, are we interested in moving forward? Because if we are not...

(FM) Yay right

(GT) ...we could go home right now!

(SB) Since we are having the discussion again, we have already sort of had it on record, but put it on record. Is there anything about this action that would cause harm to our overall water system?

(LL) No I don't believe so

(SB) okay

(LL) As it stands right now, it is self sufficient

(SB) Are there any benefits? Or perceived benefits or potential benefits?

(LL) There is a couple of benefits that would help us out in our overall SCADA plan they have a little bit better location at one tank, that would improve our reliability on our issues. Their well capacity is not anything that we could tap in and bring back to our system, it's just not there. But it is self-sufficient for what they currently have.

(DH) The other thing, we considered is right now the system is strong, it is well run, they have cash flow if down the road, we decide not to pursue this down the road the system gets in trouble we could be forced...

(SB) Because we are bordering

(FM) Right

(LL) There is an emergency inter-connect in between the two systems. So, if something were to go south over there, DEP probably could force us to take a vote.

(FM) Probably would

(GT) So I am not hearing any objection to moving forward, then I am going to authorize the Solicitor to pursue the escrow, as you suggested and once we get that, and not before, then we can have Dr. Goodhart do a financial review, you can get a lot of things on that list there checked out, I don't think we ever heard what their due date was for their bond and that type of thing, but he can find that all out for us and then have Louis and Dan do what they need to do as far as system review and study because off of that we can determine whether

1, if it needs any improvement before we would move on, do they have the funds to do that, etc., etc.? And also Dan, while you are doing that, if you can review, can they be a rate district? Once again, that's a critical part of this, is can they pay their bills and pay any improvements that they need. In my mind, if we can keep them under their own system, as long as we can, then it's their system, their district etc. That should be able to be done, since it is an operation.

(LL)I believed we looked into that before, but it will be good to revisit it, I believe it is eligible for a rate district as opposed to a special district.

(SB)I think that was some stuff that Lance had looked at, there was some things that during the process Borough Manager, previous Secretary had looked at, I think that he had found that the bond was transferrable, I believe.

(LL)Yes,

(GT)Transferable...

(FM)But what is the term on it?

(GT)...but what is the term on it? That type of thing, so is the loan it's transferrable and we can take that over if it's been approved.

(SB) So there is probably some of that, as we get back into it, that Nicole has somewhere in the file.

(LL) I think if we are going to have the Solicitor talk to the Solicitor, it might be good that the two Solicitors get the financial information for Dr. Goodhart because when we went at it before, we really didn't get what we needed, although what we did get, indicated that they were meeting their own bills and they were accumulating some monies. For what Dr. Goodhart's going to need, maybe it will be better if Forest talks to Mr. Flowers and says hey we got to have last year's complete financials.

(MP) yes

(FM) When we started this process and had money in the bank so to speak, I have done an agreement that I sent to Mr. Fink, I doubt that Mr. Flower has it. This was just a draft, that basically outlining what legal issues I had seen, the financial issues, the engineering and operational issues and some other miscellaneous things such as, that the authority would make available to Southern Cumberland and report it has produced for the review for SCWA records and they would reimburse the authority for all costs, if no one objects I'd like to send this along with my request to Mr. Flowers, so he knows what we are actually asking for and we would expect them to sign it also, anyway.

(MP)My recollection of that document is that, we all approve that document. We had a motion to approve that didn't we? So, that is in our minutes, it is our official representation of our review of the way forward.

(FM)Right, okay, so I will contact Mr. Flower and we will move forward on that, with respect to that.

(GT)Very nice, I think we have accomplished a lot for this evening, thank you. Okay #7.

## **7. Update Budget Committee (2016 Budget)**

(MP) Steve and I have met, we have a couple of different versions of the budget that was are looking at, we are going to meet with John and Nicole on Friday, let's get together on our schedules here this evening and pick a time and we should be able to hammer that out by next meeting we will have a hard copy budget for you all to look at.

(GT)Thank you

## **8. Financial Review**

- a. Consideration to approve Shippensburg Borough Invoice for September 2015

(GT) Do I have a motion to approve the finance review?

(SB) Motion to approve and acknowledge the transfer of funds

(TP)Seconded

(GT)Motioned by Steve, seconded by Troy, any discussion? Hearing none, all in favor signify by saying "I"

\*\*\* Unison "I's" are heard

(GT) Motion Carries.

## **9. Executive Session**

(GT) I don't have any need for Executive Session, does anybody else? No need.

## **10. Any other business**

(GT) Any other business? Go around the table, Louis?

(LL) I don't think so

(GT) Steve

(SB) Were we discussing the email from Dan? Or was that just for your information email.

(DH) No, we can discuss it, if you'd like.

(SB) I was just asking if that was something we were discussing or if it just was a...

(DH) You are referring to the tapping fees?

(SB) Are current EDUs and I'm guessing for me, if we go to ...

(DH) Does anybody need a copy? I did bring additional copies.

(GT) I did not bring a copy I did not come prepared to talk about it,

(KB) I did not make a copy.

(SB) When did you send it?

(DH) Everyone take one and pass it around. Monday.

(LL) I'll need it

(FM) I made a copy of mine.

(LL) I haven't been to the office, so...

(GT) I have to buy my ink.

(LL) I shouldn't say that, I did time card.

(FM) I wasted my own paper.

(GT) I can't charge anybody for it.

(DH) As requested, I looked if we could do a special rate district along the 16" water line extension and part of the connecting to the United Business Park and from the people I talked to is, it would be difficult because it doesn't serve a distinct area in the sense, that it does interconnect the system. The developers already installed the waterlines but primarily it came back to the fact that it doesn't serve a distinct area along those lines. Not that we can't do it because its grey, but we could easily be challenged and I think the other difficulty would be as part of the calculation you need to establish the number of EDUs that it will serve. For a commercial/Industrial area we have a range from a bottling plant to warehouse. Any EDU we come up with in fees we charge we need to make sure we justify those as we go along. So one of the recommendations and things we looked at was, what if we, what impact would these projects have on the tapping fee? And what I did was just looked at a update to 2015 with no improvements to the system, so we didn't do any projects that's what the first column is, and you can see that the tapping fee increases by roughly \$200 per EDU and that is just based on the pay down of the debt and the indexing or escalation of your capital. Then I looked at an update this would bring it up to 2015 numbers if we had \$3.4 million in the Well #2 Possum Hollow improvements, and what that actually did was decrease the tapping fee per EDU the reason is because of the additional capacity gains because you are dividing by that, however when you look at the amount of EDUs gained you could actually have the potential to get an additional approximately \$4 million in tapping fees from that, so it is more than the project itself the two projects themselves cost. And then the last thing, I just looked if we looked at taking Gunter Water Treatment plant offline with that reduced capacity, you can see you actually would be in the negative for total capacity right now, so I just wanted to put that in there as something to look at. So that is what the analysis, I think definitely, even if you don't go forward with the projects doing an update to the tapping fees is definitely something we want to look at either way.

(SB) Sorta I guess to understand, because I sort of have a decent grasp on the whole tapping fee concept. But basically whatever projects we have in the ground so to speak that lead to the amount of available water, like that money is basically divided by the amount of EDUs and that gives us our tapping fees.

(DH)The amount of gallons, yes.

(SB)Right, the amount of gallons, so basically anything we put into the ground basically then gets calculated and that becomes the tapping fee.

(DH) It gets bigger so the capital expenditures, if you look at the first line of the 2015 improvements vs. the Well #2 and Possum Hollow, that is the capacity part would be Well #2 and if you go down to the distribution part, that went up because of the Possum Hollow Rd water line, I think that went up 1.6. or 1.9 an the other went up (I can't do math) 1.5. (thank you).

(GT) It only brings the EDU down by less than \$30, so it's not a major...

(DH)Right, sometimes it seems counterintuitive, you're putting money in and yet my tapping fee is going down. However, it is that increase in capacity that you are gaining, you gain additional tapping fees.

(SB) okay

(DH) you are welcome

(GT) And Dan is always available for...(what's that called when you call people on the phone you can talk?)

(DH) questions or comments, or feel free to email or call my cell phone any questions you may have to go over.

(GT)Video Chat

(DH) I can skype if you like

(GT) Kerri, anything?

(KB) nope

(GT)Michael?

(MP)No Sir

(GT)Troy?

(TP)nothing

(GT)Anyone else?

(JE)No sir

## **11. Adjournment**

(GT)Motion to adjourn

(LL) so moved

(GT)Thank you Louis

  
Secretary