

Shippensburg Borough Authority Minutes  
Special Meeting  
April 4, 2016  
7:00 pm

Present:

Michael Pimental (MP)	John Epley (JE)	Forest Myers (FM)
Troy Pomeroy (TP)	Kerri Burrows (KB)	Louis Larson (LL)
Evangelos Tsambiras (ET)	Steve Brenize (SB)	Dennis Hammaker (DH)
	Charlie Myers- Rettew (CM)	

**1.Public Comment:** no public and no members of the press

**2.Business Items**

**a. Special Purpose Tapping Fee for the Possum Hollow Road Line**

(CM) So the Possum Hollow water line is largely constructed as you are aware to provide fire protection for the area that's industrial that is out there. One of the things that the tapping fees legislation provides for is not only wide ranging tapping fees that cover your whole service area, but special purpose tapping fees for any improvements. Which are for a designated subset of that area and special purposes and fire protections is one of those that is listed and it is common for things like industrial parks where additional fire protection is needed. So with that in mind, we took the approach of looking at those costs and benefits side. One of the challenges on fire flows is that unlike your water capacity, where you have a certain amount of data capacity that you have available and somebody comes in and they take it. Fire protection is a volume and pressure that you provide but it is not spent. So, if you got 5,000 gallons per minute available to an industrial park, it is available for every user there, it is a case of that aggregate flow is available. You don't have a computation that says you can serve that to only four users; it is not easily done that way. So very commonly, what is done is either we apply it straight up against normal water capacity and ignore that inconsistency or we find a way to apply it based on something that more appropriates what would be what people are using. And so in this case almost anything we do is going to come down to the square footage under roof we can turn that into EDUs of water usage and that is what has been done as your number 9 area. The challenge for you on that is that we have to make a whole lot of assumptions about how much water they are going to use what type of use, you are still bonded by the tapping fee law that says, you cannot bring in more money than it costs you on the project, so if the project costs you two million dollars, the second that you have two million dollars in tapping fees and not a penny more, you can't charge any more tapping fees, it is still a part of the law. So we want to be fairly close because if you miss that by a lot then you open yourself up to the first developers that paid it, saying it was unfairly put out. So that is why we looked at it based upon the assumption using the first developments that are coming in. Looking at the amount of lots that could be put under roof and use that for determining the capacity and took that capacity then. Then also looked at the system and said based on some feedback, while it is not the main reason driving it, to provide fire flow it also provides other benefits, so part of the value of improvements go to the whole service area, I think that was 18.7% or something like that, based on running the numbers. So then we took the remainder of the value and applied it to that square footage to get a tapping fee.

(MP) one of the conversations that had been, that was held, was about any additional development that might happen along the Possum Hollow Rd where this new line goes and the question was how does this new line and this new special rate district affect those potential developers.

(CM) So if they are not in the special rate district, as defined by what you pass, they will not be assessed the special tapping fee, they will be assessed your tapping fee that covers that area which would be your general,

and any other ones that cover where they are at, so for them to be assessed the special purpose tapping fee they must be in the rate district as defined for that. One of the other things that is in the tapping fee legislation is for instance it would not be appropriate to apply the special rate to residential users because it does not benefit them. They must be assessed on their EDU water usage carry and you can't, this is the type of thing you can do to industrial/commercial users but you not normal residential users. So a house would not be covered by this either.

(MP) Could you just back track and just review again, maybe I need to hear it for a third time, how do you calculate the 13.6 toward the provision of the water flow?

(CW) So what we did...

(MP) How do you do that exactly?

(CW) So what we did in this case was we looked at the flow that the line would serve carry through it without any prior demand. So what the normal domestic flow would be through this line based on the hydraulic model without fire demand out there and then we put the fire demand into the industrial park to get the flow that would go through the line under those conditions and took and simply said the 500 that is in the first one divided into the total flow that goes through with fire flow that gives the percentage. I don't have the number on the top of my head, Dennis has got it.

(DH) Look on the last page I can walk you right through it if you like. The three columns are three different system operating conditions depending upon which wells are turned on and those are conditions that Louis might be operating the system depending on how much water he wants to pull out of each well and where he feels he needs it in the system. He is rotating his equipment so, depending upon which of those scenarios is going and the columns are basically the same information just under those different conditions so, if we focus on Run 6 just out of convenience, cause it is the one that we actually ended up using. The first row there is the rate in the line that would occur under those operating conditions without a fire flow. So under normal conditions there would be a flow rate of 453.3 gallons per minute, the model is very precise because it is operating on the data we put into it. But, in general you are talking about 453.3 gpm with no fire flow. And then you go on down to the next couple of rows, the one that is called USB fire flow that is the maximum amount of fire flow that could be delivered to the park. And in this case this is actually at Matrix 1 and Matrix 6, so that is very contemporary information. But the flow, the next row 3330 gpm is the actual flow through the Possum Hollow water line during that fire flow condition. So there is a difference between non fire flow at 453 gpm and the flow through the pipe with fire flow at 33030 gpm so what we looked at was, using a ratio of those numbers what percentage of the capacity of the line is used up during normal conditions. What percentage is 453 divided by the 3330 because in actuality the 3330 has both fire flow and regular domestic flow in it, so that is the total amount. And we actually calculate the actual fire amount of that as a difference down on the third to the last line that is the 2877 is the fire flow component of 453 is the non-fire flow component. We calculated the percentage of each of those to the total. And it shows that the non-fire flow capacity that is used is the 13.6 percent of the line, which is actually 453 divided by 3330 and then the remaining is the fire flow component which is the 2877 divided by the 3330 so we just tried to come up with a reasonable rational way to demonstrate in this line, which is being used for both purposes how much of the capacity of the line is being used for fire flow how much is being used for non-fire flow, with something we felt we could defend and make a logical argument that that's a good way to make that determination.

(CW) And that amount could be also if you redo your overall tapping fee that hits that area then apply it to that amount when you get to the point...

(SB) So what is responsible for the increase to the 13 percent can be added to the regular tapping fee if we wanted to.

(DH) in fact it most likely would be in the next time we redo the tapping fee come December, I think we generally do it once a year that would be rolled in and as we talked on the phone the other users along the route that would not get the special fee would actually pay that part of the fee in their tapping fee.

(MP) So just to make sure I am clear again. So the 13.7 percent, you are not saying that the tapping fee would go up by 13.7 percent.

(CW) it goes down

(MP) What you are saying is that dollar amount would be rolled into the overall tapping fee and a new tapping fee then would emerge

(DH) What would probably happen would be that percentage of the project cost would be added into the tapping fee calculation along with all your other costs and then a new tapping fee would be calculated. How much that would go up is not known right now, but I am guessing just intuitively that it wouldn't be 13 percent it would be some other number.

(CW) it would be a small amount

(MP) Of significance a smaller number I would think right you are just adding a small piece to a big one

(DH) We would think so, we would believe that

(FM) 13 percent would be roughly 300 and some thousand dollars that is what would be the non-industrial commercial part of the tapping fee and basically that would be all the land on this side of the railroad, where the line goes by.

(DH) If we take the position that the entire system benefits from the additional line, then it would be anybody coming in for a new tapping

(MP) anywhere

(SB) It would go into the general tap fee

(DH) Because it is allowing water to be moved and the entire system in some way or fashion is benefiting from the ability of you to move water around the system.

(SB) And that is the point for this proposal, that the portion the 86.4 is representing the portion of this expansion even though there is benefits to the whole system of this expansion the portion that can actually be charged to just that area because of the fire protection

(CW) So you wouldn't need to put in that big of a line if all you were doing was conveying normal residential distribution demand or normal distribution demand you need to put in a large size line to be able to supply the fire flows

(SB) Right, to be able to allow the 3 million gallon tank to be able to provide the water over across 81, since we are looking ahead it gives us away to be able to recoup that expense and recoup it in a way from the people that are benefiting the most from it.

(FM) Let me ask you this question, there is a track of land on this side of 81 at the corner of Mt Rock Rd and Possum Hollow Rd that actually is, it is for sale now and it is designated commercial I believe. Now this district does not take that in

(DH) it does not

(FM) Suppose that is developed as a commercial or industrial property, it's there at Wenger Feeds. Suppose that is developed is the authority then limited to charging just the EDUs?

(CW) Right now, yes, in the way I assume if you use what we are looking at, you can only charge the fee for the ones that are in the area. What we would have to do to look at is, is to see what went there. I don't know what our supply would be for fire flow to there without...

(FM) I don't know, until think anybody does until somebody builds on it or proposes to build on it. I was just curious as to if there was some way, I mean I suppose you can change the district to include that piece in it, since it is commercial.

(CW) So from a reference point it seems like a lot of money for fire flow. I have done development and worked with development that have put in large buildings that needed and had not put fire flow available. Fire flow tanks your guys tank would actually not be up to standard for a fire protection tank in an industrial park. They got to have recirculation pumps on them, they got to have heaters, the pumps have to be easel driven there is a lot of other things that go into meeting FPA for a small fire system it is easy for those to be six to eight

hundred thousand dollars and for most big industrials they run over a million. So it is not that you are taking advantage of the folks, it has a real value and for projects the size that you are looking at it in there it actually verses them putting in a system of their own, it could actually be a savings.

(SB) When we sat down with Matrix and Mr. Shumano, you have the numbers I believe that they were looking for and correct me if I am wrong, but these numbers are above the numbers they were looking to get out of what they needed

(DH) Yes, the fire flows, they were asking for 2250 to 2500 gpm at residual and we were just barely below that. This is far more than what they would need and based upon my experience and Charlie feel free to speak up if you think something else, but I have seen a lot of industrial parks go in and this kind of fire flow with a double feed to the property when this line goes in. I don't know that I ever have seen an industry put in a separate fire flow tank when this kind of volume and double feed, which means you got some reliability built in to it, need to put in a fire tank. Generally it is just put it when it's not available at all.

(SB) So we may have a little bit of balking just because they are trying to their project as cheap as possible, but by the end of the day, we are within our due diligence to get this from them and this is the best way to get the revenue from them.

(MP) Follow up on that, has it been your experience, either one of you, where despite adequate fire flows being available, insurers have mandated a developer install a redundant water system, in order to meet some criteria, some standard that insurers demand.

(CW) The only time I have run into it has been with special storage. So if they are doing something with hazardous material. Something like that, but generally every time I have been on either side of the table with the development if we had the fire flows that were needed for the fire protection of the building. They did not have to do anything else that is all that is required. We can issue the letter to them that says, and they may have to test it, and there have been a lot of places that will do that. But if we are able to certify it and provide it

(FM) I think if you look and go up 81 and look at all the warehouses up around Carlisle, only one of them, and that is the one that was built before the water line extended out to it at the corner of 465 and interstate 81, that is the only one that has a fire tank.

(DH) In reality what you are providing them is better than what they would have with a fire tank. That fire tank would be limited to whatever is in that tank and what you are providing for them is elevated storage that has 3 million gallons of water, and their tank is probably going to be no more than a million or less. And when that tank is gone, it is gone. There is no way to quickly refill it. You got more water at a probably a higher volume than they would provide with a fire pump and a much more reliable situation. And like Charlie said, the things I have seen before are building being divided by fire walls and special sprinkler systems to provide a quick suppression of a highly flammable or a combustible content or whatever. But generally not a redundant fire tank on top of adequate fire

(SB) and those would be things they would be doing in addition to if they originally had their own fire tank they would be doing those things in addition anyway.

(DH) yes, they would be doing those things most likely, exactly

(LL) Mike, Schreiber comes to mind, when they built their expansion out there, they wanted extra gallons a minute at 65 psi and I forget what the number was, but we could provide through our existing water lines the gallons per minute, but only at 40 psi. So they had to put a fire pump in, now the reason they had to put a fire pump in was because they wanted that certain rating that they got from FM so that they could get the lowest possible insurance rate and that required them to put the booster pumps in, the fire pumps in in order to boost the pressure. The volume was there but they required a higher pressure, so here again we are talking about a blank bulk warehouse basically in both cases. Nobody knows what's going in there. It could be theoretically possible that they do get something in there and the sprinkler systems are going to have to have higher pressures and they are still going to have to put in fire pumps but the volume will be there and that is what this line is going to give them. So they don't have to put the tanks in.

(MP) Great

(ET) I have a question; I'm the dumb one among the group.

(LL) No you are not!

(SB) The new one!

(ET) Based on run number 6 and based on the fact that you estimate between 800 thousand to a million dollars for a fire tank out there for this project that is coming up. What would it cost you using these special EDUs for fire?

(LL) Based on the square footage of each warehouse

(ET) 663

(LL) Matrix 1 is going to be roughly 352,000 dollars and Matrix 6 is going to be roughly 282,000 so some place in the neighborhood of \$660,000 for the two.

(DH) And they are separate and they would have had to put in separate tanks in most likely for those two buildings

(LL) and even if they only put a quarter of a million gallon tank in you are talking 250,000 for the tank, maybe more plus the fire pumps plus all the other stuff wrapping it, heating it and the ongoing maintenance.

(ET) They are getting one heck of a deal

(JE) Not to mention developable space that they can use without having, I mean square footage is everything to a warehouse

(SB) yes, it makes their engineering easier, because they have less, I mean they can do better stuff with parking lots and swells

(LL) It does make their warehouse more appealing because both of these warehouses, they were putting their storage tanks right out front.

(KB) Do we know what these warehouses are supposed to be?

(LL) No

(KB) Or are the just not telling us yet.

(LL) Just bulk square foot blank, they are speck houses

(MP) They may not even know, right, whoever buys or leases it

(KB) They are just basically developing it to be

(SB) I mean they have them listed as a location on their website, so it is pretty much a done deal, even though I don't think they shook hands yet.

(KB) They won't build them until they have a

(FM) They may

(KB) I don't even understand why they would build a warehouse just to build a warehouse

(FM) Why do you have warehouses in Carlisle that have been empty for years and build a new one?

(KB) That is what I am concerned about

(LL) they probably have somebody in mind for this that wants that much space, so they are probably going to build it speculating on the fact that they are going to get that contract with them to move into their warehouse. If they do, they are not telling us.

(FM) You know you talk about that Kerri, but it is an interesting thing, in Carlisle there was a company out of Las Vegas that built three warehouses, 300,000 square feet and they sat for three years, because everybody that looked at them said no, we need a bigger one.

(MP) Not big enough, right

(FM) It wasn't big enough, if you can believe that

(KB) That is kind of what I am saying, it seems to me, I understand that warehouses are just boxes, I get it but they are not really, I don't know.

(CW) They have built a lot of them, at least partial specs. Because a lot of people who are interested in the space will not actually sign the final agreement until the space

(KB) Okay, compare these buildings to what Proctor and Gamble is, we are not talking that size, like a small city.

(LL) Proctor and Gamble is 1.7 to 5 million square feet. The biggest one that is proposed on lot 1D is a million and a half. 1.5.

(KB) So it is a small city

(LL) yes it is and the one they are proposing on lot 6 is 1.2 million square feet

(KB) So these are warehouses the size of P&G

(LL) very close to it

(MP) much the same

(KB) That is insane, is that the standard size?

(CW) 1 million square feet is the new ...

(KB) this thing is gigantic

(SB) Angelo did you have another question?

(ET) I just want to know what we need to do to get this done, not that I am in a hurry.

(FM) let me address that for you, there are two parts to this for you to consider. The first part is to create the district, that is your resolution number 2 and that mirrors the exhibit that was attached that shows the industrial area right and essentially says in accordance with the municipality authorities act you are creating this rate district consists of 609 acres and this doesn't have to be an accurate survey we just went down 81 and Mainsville Rd and along Mainsville Rd behind the houses because there are house there down to White Church Rd and then along White Church Rd to Woods Rd if you know where that it is and Woods Rd and then crossing the Old Scotland Rd to the southern part of interstate 81 and then until the southern part of interstate 81 to the beginning. That is the first resolution that you would have to adopt which creates the rate district. The second resolution that you would have to adopt is number 3 in your package or at your table and essentially that just says basically that you have created this rate district and now you are going to attach a fee to it and that fee is going to be, and I rounded it off \$10,215 per acre under roof. So those are the two items that you would need to adopt to put those into place.

(LL) you have to remember that this is a rate district. Not a special district, because there are different rules that apply so this is a rate district so it will stay in effect if I am right Forest, until the cost of the water line is recouped. There is no time limit on it, like there is a special district.

(MP) It's not the ten year and you're done.

(LL) Forget the ten year stuff, this is let's just say this takes 15 years to recoup our entire investment in there this district will remain in place for 15 years, because it is a rate district.

(CW) It is a special rate district the ten year applies to reimbursement of developers, and that is actually a protection for you guys, so that you don't end up spending the rest of your existence trying to payback a developer, it sets that 10 years as the limit to when you have to play the game.

(SB) You said these two we are looking at 650,000 based on what the projection would be,

(FM) Somewhere in that range, its 61 acres times

(SB) and is that only a third of the developable land there?

(FM) that is what they are proposing

(SB) So at the end of the day, all this gets developed and 6 to 7 years from now, it is developed and we have gotten from this, 1,722,000 then the other 144,000 dollars would just go into our regular equations for everything?

(DH) no

(SB) I mean we are estimating now, so we gotten as much as we could, because as you were saying we can't double charge.

(CW) You can double charge, it is like your existing tapping fee if somehow you end up with excess capacity, you have excess capacity, so it would sit there until somebody used it so we have set this amount or

something changes out there. There would have to be a change that you said if no longer 84% fire flow, because we added something else we are now moving more water through it on a normal basis you would have to recompute. The danger is you run into those equations on tapping fee reimbursements if you suddenly change the benefit factor.

(FM) So how many acres is Matrix buying?

(LL) they are buying a whole bunch out there

(JE) but it is under roofing

(FM) I know but I am just curious because, you are saying they are buying 205 acres, that is what this says

(LL) that is roughly that, that is roughly it

(FM) So that leaves another 400 and some acres available to be developed under this and if you figure 30% of that 400

(SB) That was the point of my questioning, are we, we are not going to get at the exact number, but are we certain that we are going to get as close as we can to the number as we possibly can

(DH) It really depends upon the development ratio of gross area to area under roof. If some of these parcels developed at less than 30% than you get less than the 100% of your...

(SB) so based on the numbers we have it is the closest we can get

(CW) and 30% it is actually fairly, it is on the lower side for a lot of industrial parks that I see

(MP) what is the range what do you usually see?

(CW) It all depends on storm water, so I am going to weasel a little bit; some of them get really tight because they are able to use alternate storm water infiltration in the parking lots, or if there is some way they can actually still direct discharge from the lot that doesn't happen much anymore. So I have seen actually some upwards of 70% in areas where they are doing common storm water, if it is not on a lot by lot basis or if they got something else going on.

(FM) that's probably like one developer develops the whole...

(SB) So if Matrix ends up being the only developer out there then...

(CW) but 30% if you think about it is a fairly green or blacktop lot, it is a lot of space

(MP) it is a lot of space

(CW) I would expect the number to be more in the 40%

(FM) if you had 140 acres empty

(LL) now, to go along with this guys, I did get a telephone inquiry about the possibility of a manufacturing facility being built here across the street from either Matrix 1 or Matrix 6, so there is someone else who is looking for a piece of property out there, now they wouldn't tell me how big it was. They just said it would be manufacturing of some sort. So you know, probably 100,000 square feet you are looking at another 2 ½ acres under roof more or less, just for that one facility. That is an inquiry that has been made whether it comes about, I don't know.

(SB) thank you guys for this, when we were considering, Angelo wasn't here, but when we were considering approving all these projects that was the one concern if we put all this stuff in the ground how are going to make sure the right people pay for it. So thank you for working with us to come with this, so that we can make sure the regular rate payer doesn't bear the brunt of the expense for this.

(MP) So before we entertain any action, any other questions? Troy?

(TP) No, I am pretty clear on it now.

(MP) Angelo, you good?

(ET) I'm happy

(MP) Kerri,

(KB) I'm good

(MP) Steve

(SB) I'm good

(MP) I think I got it, Louis anything else you want to hear from these gentlemen before any potential action is taken?

(LL) No

(MP) John?

(JE) No sir

(MP) Forest, I presume you are all set and ready to go

(FM) We are all set; I mean the motion would be to approve Resolution 16-002 Approving Special Rate District in the area of the interstate 81 Olde Scotland Rd in the Township of Southampton Township Franklin County and bounded as described at the intersection of 81 and Mainsville Rd and then along Mainsville Rd in a southerly direction behind existing residences to its intersection of White Church Rd hence along White Church Rd in a westerly direction to its intersection of Woods Rd then in a Northerly direction in Woods Rd and crossing Olde Scotland Rd to the southern right of way line of interstate 81 hence along the southern right of way line of 81 in a easterly direction to Mainsville Rd the place of beginning.

(MP) So that would be the full motion

(FM) that's it

(MP) wow, that is thorough

(ET) Can I ask something, you said something about the word special?

(LL) It says special rate district, that is where it was going, now this is already district 9 right?

(SB) 10

(FM) this was created as District 10

(LL) 10, okay that's fine, that what I needed

(ET) I make a motion we approve resolution 16-002 as read.

(KB) Second

(MP) Ok, so we have a motion by Mr. Tsambiras and seconded by Ms. Burrows to approve resolution 16-002 as read into the minutes by attorney Myers, so any further questions. Okay no more questions, then we will vote. All those in favor consent with an "aye", \*\*unison "ayes" heard, those opposed "no" \*\*silence, no no's motion carries unanimously. Thank you is there further wish of the borough authority to take action concerning...

(FM) the next action you would need to take is if you choose to is to create, I mean approve the fee, not create it, you have created the district number 10 now you need to establish a fee or fix a fee for that and again it is the same area and the fee would be \$10,215 per acre under roof.

(SB) Make a motion to approve Resolution 16-003 where as we are establishing a rate of \$10,215 per acre under roof for the property located within district number 10

(KB) second

(MP) ok it has been moved by Mr. Brenize and seconded by Ms. Burrows that we approved resolution number 16-003 authorizing a special purpose tapping fee on the special rate district know as special rate district 10 in the area of interstate route 81 and Olde Scotland Rd in the township of Southampton, Franklin County, Pennsylvania, it has been moved and seconded any further questions or comments? I do have one, Forest in the heading here as I read this in the resolution is this a special old English spelling of reate district?

(KB) extra e in rate

(MP) That is not supposed to be there right? No, okay, just checking, any further questions or comments? So let's vote all those in favor lets consent with an "aye" All those in favor consent with an "aye", \*\*unison "ayes" heard, those opposed "no" \*\*silence, no no's motion carries unanimously. Thank you, thank you Charlie, Thank you Dennis.

### **3. Discussion/Update HAA5 Testing & Results:**

(LL) I have prepared for you a spread sheet which you have in front of you indicating the test results. Please note that the red lines indicate testing sites and the area between the blue lines is for the testing dates. Point

out that the numbers have been very good from two testing labs; we have a third lab, that is off by more than the percentage that the laboratories that I have talked to is acceptable. They say that all the results should be within 10%. The one lab is off by much more than that. The only difference that I can tell you about this is in the way the samples are taken and the sampling method that is used. Nobody can give me a definitive answer on the method, what the variation between the two methods is that are approved. The only thing we see is the way we fill the bottles and that is the way that it has been described to us by the lab on how to take the samples. So I can't explain why there is the variant.

(KB) is that why we stopped using them?

(LL) that is why we are going to stop using them, there test results being much higher, is outside of that 10% accuracy range as described by other labs, at least that is where they should be so we will be changing labs for our April testing and using one of the other two labs.

(MP) Let me ask Dennis and Charlie in the world of engineering and looking at these numbers, as a matter of profession. What do you do when, how do you handle that data point?

(CW) So when it is consistent, like this, like one entity or and it is a clear methodology difference, then I shouldn't use words, like I am going to use, but my assumption would be is that something is happening that is not the, not the ideal way it should be, I will word that gently instead but you shouldn't have, I mean they are right if you are doing testing for the same substances in the water and they are collected at the same time, they should be darn close. If I saw that, and I only glanced at the data, if Dennis brought me in that data and I was qc-ing it, I would send it back and say that something is wrong here. We need to check in, something is not right. It is too consistently off by almost...

(SB) 50%

(LL) yes almost 50%

(MP) So, let me express it, let me flip the question upside down if you will. What is the probability of the likelihood that the higher number is the accurate number? And the other two are measuring incorrectly and coming out with the same wrong low number? What would be the probability in your experience be of that vocation?

(CW) I wouldn't know with that limited data set, what I would like to see if I was really testing the validity is to get somebody else to do the same method as the lab that is high. And see if it is a method problem and then its, and then if I am going to have to explain to DEP the results anyway, and this is the first I have seen of it and I haven't read Dennis's memo, it would pay to look into the testing and see if there is something odd, and by odd, but something odd about what's in your system or additionally that might cause these levels to be higher on the one method or lower on the one method, to be able to explain it. Your hope of course is that the low readings are right.

(MP) With just three readings that is not a lot of data right, that is a pretty small sample size?

(CW) no, the two are consistent and the third being an outlier

(SB) and the third is consistently outlined

(ET) but the bottom line is we took it from 66 down to 31 on the highest result, so we have cut in half, or more than half and that should be a good sign that we are doing something proper.

(KB) and remind me what the limit is with DEP

(LL) 60

(ET) 0.60

(LL) for the sake of this chart just use the whole number, so its 60 I found that it is easier to explain the limit is 60 and we have in case of the number that Angelo is using a 31. So we are just at half.

(KB) so even with the high numbers we are still within regulation, but I actually agree and I think to what Mr. Pimental was stating as well. I hate to just dismiss the high number as a lab error, considering the fact that a lab error that got us where we are in the first place. That is my only concern I am just absolutely flabbergasted at the fact at these labs that actually have to do with water quality are just so wonky, it is terrifying to me.

(CW) It is not a surprise

(KB) well obviously, this is the second time I dealt with it in a month, I don't doubt for a second that more likely than not as you stated probability wise the two lower numbers are the accurate reading. But I am just really concerned about dismissing the high number as incorrect because it just seems to be so many issues with labs, Louis.

(LL) I can appreciate what you are saying Kerri, but I have talked to two different lab people. Two different labs and their lab supervisor type person and they said that the results should be within 10% whether lab a, lab b, lab c, the result should all be within 10%.

(KB) Unless the methodology

(LL) Is different

(KB) right, and if the methodology being done by this high lab is actually the accurate methodology and these other two are cutting corners, like I don't even know how you test water, so cutting corners may not be the right term.

(CW) Sitting here I said to Dennis something that talked about the contaminants I didn't read it on my phone, I think a little more helping Louis with that, and you said that, sometimes the methodologies, there can be another chemical in the water, or something else that impacts a certain method. That is generally why there is multiple proven methods. There is either nothing that affects them or it can be certain things in the water that will impact, the agents they use, I am not familiar with the test. I am not a water testing guru.

(SB) I would think a lot of things there is the accepted method and then there is the preferred...

(KB) accepted vs. acceptable

(SB) right so the one that actually gets the closest, that is possible mathematically to getting the right number and then the one that is accepted by people. I think that is where the question is, which one is, is the method that is giving us the 31, we are right they are both where they need to be.

(KB) Substantially under

(SB) but which one is actually the one that is giving us the closest to the real number

(ET) accurate reading

(LL) Well the only thing that I can say is the EPA regulates this, they have approved both methods, so I am sorry but I have to agree, that whenever they went through their approval process they deemed that these two methods give similar results.

(KB) Is there another lab that uses the point 3 method that we can use?

(LL) Not that I am aware of

(MP) Look we are not experts in this area, but Rettew is, so what is your official, are you willing to go on the record this evening and be written to the minutes, what your recommendation is for us in regards to these disparate numbers?

(CW) I am going to look at you I have not any closure to it before tonight.

(DH) I am not sure we have enough information to take a substantial stand one way or the other on which of these is correct. I know that Jason did look at it, we did ask him the differences in the two tests and I think Louis is correct. The answer we got back was, was there was no substantial difference but there are differences in the procedure. It may take if you want to be sure going forward that you are using a laboratory that you can be confident in. It may take a little bit more going forward with all three labs and building a case that the one is always higher than the other two. It may mean looking at your particular water and talking to somebody who is an absolute expert in those two methods. I am not and I am not going to pretend that I am here tonight, to determine is there a time when one is better than the other for the reasons that Charlie talked about, which is in some cases because this method is better, because this one compound in the water interferes with the results and gives you a bad result whereas if that compound is not in your natural water this method is better because it doesn't react the same way. And I don't know those things, but what we are saying is there may be some situations where one method is better and other situations where the other method is

better and it may take a little bit more not only doing a little bit more research but also doing just some more comparative testing like this.

(SB) Maybe to think outside the box, do we have anybody at the university that would be capable of running the, okay you are looking at me like probably not, I mean would there be staff at the university that could run the second method, since nobody else runs the second method just to have a test.

(LL) It is my understanding Steve, and if that was the case I would probably jump on that with both feet because they are right here, but the equipment used in this testing regardless of which method that you use is very very expensive.

(MP) so they don't have it

(LL) and I am almost willing to bet that they are not, because if they were they would be farming their services out to everybody and their brother. This is a specialized test which not every lab can do because of the cost of the equipment and the certification that is required by there, there is a nationally certifying agency that certifies labs so it is not as bad as some of the tests that we run that there is eight agencies in the entire country that can do it because of the cost of the equipment.

(SB) To take that to a different place, can we ask one of the other two to do the other method or are they not certified to do that other method.

(LL) I would hazard to guess that they are not certified to do it and or they don't have the equipment to do it, and they have the equipment to do the method that is shown and that is what they are certified to do. I can't imagine one lab doing both certifications, the equipment in my mind the equipment would be an astronomical cost.

(FM) where are these places?

(LL) Mahaffey is located in State College, Micro Bac and ALS are located generically in Harrisburg.

(MP) So here is what I think, let's see what you think of this idea, we need to have this issue resolved for two reasons, 1 we need to have confidence in our number, we need to be sure that the steps that have been taken have in fact reduced us to the lower level. And that we are not at the slightly higher level even though they are both below the reportable level. And the second reason we need to know is as Louis keeps reminding me you are going to have an annual reconciliation of these numbers, so if you are above you will have to notify again. So these two numbers can make the difference of whether or not that you notify. So it is sort of a practical reason and kind of a more practical but some theoretical reason we need to have a resolution. So Dennis, can you please is it possible for next meeting which is only a week away to have an answer and come with a Rettew sanctioned recommendation as our guiding engineering firm, how we are to handle these disparate numbers.

(KB) My other concern, granted I do believe it is a confidence issue, we need to have confidence the public needs to have confidence, but we also have to have confidence in the lab and you don't want to have to go through this again. I know you don't; I know you don't want to have to go through this again.

(LL) I am worried about what is going to happen in April.

(KB) I know

(LL) Even with these numbers, what Mike touched on, the locational annual, the locational running annual average I don't know what the DEP is going to do about it. How they are going to calculate it, there is two separate formulas. I calculate it one way and we are fine we are under 60, I calculate it another way and we are at 60.3, technically 60.3 requires another notification. We are splitting hairs here and I won't know until after the tests are reported and DEP waves their magic wand and says either you get a NOV or you don't get a NOV.

(KB) I don't want a second notification, but if a second notification is the right thing, then that is what we need to do

(MP) Absolutely, no question, we will do it.

(KB) I understand what you are saying, because I agree with you. I think we all are on the understanding of there is no public safety here, so we would hate to send the second notification out making people fearful. I really just want to make sure that three years down the road we are not realizing that our lab has been selling us down the river for three years, like we did two months ago.

(LL) I think, like I say, my plan is to change the lab that we are going to use for reporting lab for this next cycle. What we are probably going to do is continue to do more testing and then what I am thinking about, say every 4<sup>th</sup> quarter as a number we send tests out, once we get off of the three labs every location every two weeks, when we get some confident level to say we only need to test every four weeks at all three locations, but when we get back a normal testing regime, which would be one lab, 4 tests once a quarter. That every third or fourth quarter you send a sample to all three labs to verify what we have been seeing.

(KB) Absolutely I agree with that

(LL) that is my thought, but that is once we get back to a normal routine testing regime

(KB) I just want to know is it a fact of is there a methodology that is going to work better for our location. Or our whatever's might be in our water or is it the fact that one of these labs or two of these labs is not doing something correctly therefore skewing the numbers.

(MP) To me isn't about who is producing the lowest number, it is about who is producing the most accurate number.

(SB) Because that is why we are where we are.

(MP) we want the accurate number, because if there is a problem we need to address it. If there is no problem then we don't want to be unnecessarily penalized.

(ET) The good thing is apparently the problem is which lab is going to give us accurate numbers it isn't what is coming from our treatment plant. That water now according to this number is very safe.

(KB) so what we are doing is working it is just a matter of figuring out which lab is working.

(LL) I will say that I talked to one of the labs and I am confident that they are accurate work for this reason, in my conversation with them apparently they have picked up an awful lot of work from New Jersey systems because they had a problem with the lab that they were using over there. So that kind of leads me to believe that they are doing good work and their numbers are correct because they have picked up this additional work.

(MP) Maybe, how do we know?

(SB) Or there is a major issue in certification of labs, we don't know for exactly how long we were out of whack. I mean you get numbers and based on the numbers that is how you treat the water. And so we had this, the previous lab was giving us good numbers and all of the sudden we find out that we are not getting good numbers from them and they get decertified. So we could, I mean I like these numbers but we need to make sure that these are the right numbers, I mean I know that is very highly unlikely that three labs that we are using that were referred to by other people was good labs are all three giving us bad numbers. That is where we are and I think that is what everybody is saying it's good that the numbers are low right now but we want to make sure the numbers are low and they are the correct numbers.

(ET) the reason we have Micro Bac and ALS as labs is Mark went out and talked to the operators at Letterkenny which they have the same source water as we have, they are just ten miles further down the line. They switched labs because they were getting bad data and they have these two labs as their test labs and they chose one of these two labs.

(KB) I'll be honest, everything that you are saying is just solidifying what I believe and that is, I have absolutely no faith in any of these labs and I think that we need to figure out why there is such a difference in the numbers and I believe, I really do think that more likely than not that the two low numbers are probably more accurate mathematically it is probable that those are the accurate numbers, but darn nit Louis, I just want to make absolutely sure.

(LL) I don't think I will be able to tell you that

(MP) Can we get the DEP to test them, themselves, or do they not have the equipment?

(TP) Maybe compare our numbers with Letterkenny's numbers

(LL) well we already looked at that and there numbers are lower than the ones we have here for the low labs.

(MP) It sounds like Dennis and Rettew are going to give us a recommendation on how to deal with the disparate numbers, but if I could ask you Louis about the locations and make sure I am following your chart correctly, looks to me like you have tested on 3/17 the Roxbury Ridge right, and you got 14.5, 17, and Mahaffey at 33.

(LL) that is correct

(MP) The same day you tested at Lytle Farm 14, 16, 23

(LL) Yes

(MP) So it is interesting to me, is how much their number jumps around compared to the other two anyway, so they went from 33 to 23 right?

(LL) Yes, and the other two labs are relatively consistent

(MP) But, again that is up to Dennis to give us the answers here. So the water plant you tested 3/29, right and you got two consistent numbers from the two consistent labs.

(LL) Yes

(MP) and so another test 3/29 back at the Mongul Hydrant for 14.1 and 13, and the Roxbury Ridge 14.4 and 14. So we are starting to build if you were tracking these on a graph you are starting to build a flat line for each of these places showing steady levels well below the .060 number, Am I following that right, is that correct?

(LL) Yes the two things that you kind of skipped over and that was the tests that were done on 3/15, which was at the entry point at the plant and then the Mongul Hydrant. If you look at the entry point at 3/15 here again, you are at 10.8, 11 and a 31. Now the Mongul Hydrant is a little different there's a variant there but you are still 13.3, 19, 26 I mean none of those are within 10% of each other but you still have the same lab that has been consistently high is still consistently high.

(KB) But they use a different methodology and that is really what I am hung up on, well that is one of the things I am hung up on, but the thing I am hung up on is, if there is more proved methodology by the DEP and those approved methodologies are producing such a significant difference what is the difference what is the difference...

(MP) We are not going to be able to answer that

(KB) Somebody has to know

(MP) Dennis is going to give us an answer about what to do with it

(ET) Here is a question for you, just looking at 3/29. You took a reading at the water plant

(LL) Yes

(ET) and then all of the sudden you went down the road and you might of done this in reverse, but at Mongul that same reading jumped 5 points.

(LL) yes

(ET) and it was consistent at Roxbury Ridge,

(LL) Yes and Lytle Farm that's on this next page.

(KB) But it is the same way up here, if you look

(ET) What is happening further down the line?

(DH) keep in mind what we are testing here is for chemicals that are produced by the disinfection of the water.

(ET) these compounds

(DH) There is a time component to that reaction, so as the water leaves the plant it has a certain level of these compounds, because that has occurred within the plant. But then as the water moves through the system it has longer residence time, in other words the water that was sampled out in the system is older than the water that was sampled right next to the plant even though they were sampled maybe 15 minutes apart, the water that is in the plant has been treated for, I don't know what the residence time in the plant is, but I would say a few hours. The water that is out at the Mongul Hydrant or Roxbury Ridge maybe 3, 4, 5 days old and so there

has been an additional reaction time that has allowed more of these things to occur as a matter fact, normally when the points of sampling are picked by DEP its normal to try to find a place in the system where the oldest water is and that is usually the criteria that used to pick the locations. Because the belief is that the oldest water is going to have the highest readings, because the water has had longer to produce, the, you know you are carrying a chlorine residual in the water to keep bacteria from regrowing.

(SB) right, because the brewing starts the minute comes into our system and we hit it with chlorine for the first time and then it continues to get hit with everything and then the chlorine continues to be there to brew it.

(DH) You keep chlorine residual in the water as it goes out and it continues to react.

(SB) it is the same as wine.

(ET) So the furthest point from the treatment plant is Lytle Farm?

(LL) no

(FM)(LL) Roxbury Ridge

(LL) it is the furthest point, the numbers are off because these here again, when these were picked the Lytle Farm was added in afterwards.

(KB) Roxbury Ridge is where the high readings were the notice had to go out to the notice didn't have to go out to these other locations that you tested.

(LL) they did

(KB) did they?

(LL) yes, all three. Which is why we are doing it, we are testing essentially three locations, there is a fourth location that we test at and that is right here. But the numbers here are under 60.

(MP) and they always have been

(LL) so there is no

(MP) it doesn't come this far

(LL) we have pretty much figured out that the water does and doesn't make it here depending on season, University population and everything else. It does at times will get here but it is not consistently here.

(SB) so it is Plant, Mongul, Lytle, Roxbury Ridge and Here.

(MP) Kerri the reason for that was since we had to notify those three locations I asked Louis to go back and test those same locations so when we send our hopefully our final letter out to the people who live in those areas we can show them apples to apples. So in front of their home we had an elevated level and now two three months later we have consistent data that is showing in front of their home the number is now well under the .06

(KB) We expect these numbers to spike when it gets warmer, correct?

(LL) we do expect them to go up during the summer time, when the water, not necessarily. Aprils test possibly July's test and Octobers test because the water will be warmer.

(SB) and you will have to use more chlorine to get rid of other stuff

(LL) Yes and no, the chlorine will react better at the warmer temperatures and we will probably be using less to obtain the same result, which may drive these down. What killed us was the fact that we were injecting chlorine right at the head of the plant and we were doing that to oxidize out the iron and the manganese in the water. Unfortunately the organics was not looked at, okay, we have changed that we cut the chlorine down by 2/3 at the head works of the plant and we are adding the sodium permanganate which is taking care of the iron and the manganese issues and therefore we have cut down on the haa5.

(MP) so we are talking now about a broader picture and I had asked Dennis to prepare for our edification a document about how we can internalize some improvements and methodology improvements to make sure that going forward we have a handle on this haa5 thing and it doesn't blow up on us again. So, did you all, I don't see this in your packet, do you all have it?

(JE) I don't have it I don't believe

(MP) All I have is mine and it is full of my handwritten notes, if you all don't mind, I am sure John can make us copies.

(JE) Give me a few moments and I will run copies for everyone.

(DH) I emailed this out Friday, I only emailed you and I think I got it to John, maybe he just didn't see it and I think I sent it to Louis.

(MP) You can start talking us through this if you would please.

(DH) This came about when Louis and Jason and I talked about going forward and with Michael about it. What do we need to be doing to be sure you have the best chances for continuing to do the best you can in terms of your reductions without spending a huge amount of money at least initially. The items are numbered and it is an action plan, the first page is a lot of background and introduction which I think we have already been through. It just memorializes some of the things we already talked about it in meetings and so forth. We can certainly go back over that if you get a copy of this and you want to discuss it with me, either now or tomorrow or anytime on the phone you want to talk about it. So just to go down through this list, some of these things have already been done some of them have not been done, depending upon which they are. The first one is to increase the frequency of testing which we already have done. To get a better handle on whether we are making this the steps we are taking initially are bearing fruit and we see that's happening so that is actually happening. The second one is to maintain a pre-chlorination dose as low as practical to minimize the formation potential for haa5 organic. That is what Louis just talked about using the sodium permanganate to oxidize the iron and manganese not having to use chlorine to do that cuts down on the reaction of disinfectant with the organic compounds in the water until they can be treated and coagulated and filtered out of the water and then you do the primary disinfection after the coagulation and after the filtration has removed most of the organics. Already again, Louis is doing that, and that's something that he and his operators will work on as time goes by to find out where that line is where they are dosing as low as practical but not going so low that the treatment is being compromised. The third item is to perform disinfection bi product formation potential testing. I am not sure if this is one thing we talked a lot about, Louis, this is to provide the operators with a tool to know what happens when they do certain things in the treatment. They know by doing this testing you can see what factors things like temperature and the addition of their coagulants and other things. What has the potential to reduce the formation of the bi-products the best. So it is a tool they can use to help them regulate their PH and addition of chemicals to do the best that they can do for the reduction. The third one is to reduce the post treatment chlorine dosage the primary use of that is to maintain residual in the system. We want to maintain an adequate residual in the system but not too high because as we talked about just now, the higher the residual is the better or the more potential there is to form the bi-products so you want to find that place where he is providing adequate dosage but not anymore than necessary. Number 5 is additional sampling of the raw water coming in, here we are suggesting total organic carbon dissolved organic carbon, UV absorbance and iron, again to try and get a better handle on the constituencies that are coming into the plant and give the operators a little better idea the range of those contaminants that are coming in, so that they have background against which to operate. One of the reasons we are suggestion the UV absorbance is in conjunction with items 6 which is the test equipment which allows them to test for specific UV absorbance. The problem is there is no easy way to test total organic carbon on a moment by moment without spending a lot of money on equipment. So the testing for the UV absorbance can be used as an indicator of total organic carbon. So if Louis does testing over an extended period of time they can draw a correlation between UV absorbance and the total organic carbon in the water they can do their testing for UV absorbance and use that to decide on an hour by hour basis. How do I have to adjust my chlorine dosage, my permanganate dosage how much coagulant I need, all those things to react to the amount of carbon in the water and reduce the formation of the disinfection bi-products. So, those two together will help his operators on an hour by hour day by day basis to be able to adjust their treatment to minimize the formation of the HAA5's. The problem is once we get back to a normal treatment he is only going to be taking these HAA5's test once a month or ultimately once every quarter, so he

has got to have a way to tell on a day by day basis, how can I maximize my treatment and minimize the chances of the next time I get readings in they are going to be a problem. The final one is some minor adjustments to the clear well, it is a combination of adjusting where the chlorine is being dosed as well as a little bit of the piping modifications I think Louis believes he can do with his operators. It gives us the best the best CT concentration and time of disinfection within the plant to get the best bang for its buck essentially in the clear well for disinfection. If he can maximize his detention time what he can do is reduce his chlorine concentration a little bit, again minimizing reducing the formation of the HAA5's it is another adjustment to his treatment process that allows him to reduce his chlorine and reduce his HAA5 formation. Hopefully, already we have seen a few of these significant benefit and we believe with these in place it will give him the best opportunity Louis and his operators the best opportunity to not only reduce the HAA5s but to be able to consistently keep them there. Only if those things don't result in what we believe is an acceptable result particularly during the summer would we suggest going to a little bit more, larger change with enhanced coagulation that has most likely addition costs involved in it, some other results that we would prefer not to have to do it. It means make some changes to PH which tends to have a detrimental effect on your equipment and we would rather not see that happen unless it is absolutely necessary.

(MP) If we did start to see numbers starting to climb during these peak times, there are other steps that you can take to bring that down right?

(DH) there are we are hoping that, that is not necessary

(MP) We won't be up against a dead end

(DH) absolutely

(MP) Are there any significant costs associated with any of the 7 recommendations that you mentioned?

(LL) It depends on what you call significant; the biggest item is the specific UV absorbent tester. That is going to be the largest ticket item of everything that is on this list. I am still waiting for Jason to give me a number back but when I jumped on the website, we are looking at \$6,000.

(KB) ouch

(SB) I thought you were getting ready to say that we need to spend as much to fix this as what it would cost to put the booster pumps and just run the water across the valley!

(LL) No but I can arrange that!

(KB) \$6,000?

(LL) Here is why Kerri, we are buying a piece of equipment that will run roughly 600 tests for one, that is why I think \$6,000 is a little expensive.

(MP) It is able to run 600, but

(LL) we only need the one that is why I think it is a little expensive.

(KB) But however,

(LL) I understand what you are saying, it is relatively inexpensive but I did talk to the manufacturers last week that once I can get the number from Jason, because he was going to get me a quote from them, I can have it here in 4 days, now there will be a little bit of a training that has to go on but essentially it should be up and online in two weeks after we get it. Now there are some additional costs here for the testing of the TOCs and the dissolved organic carbons. That has to be sent to a lab, so they are not expensive tests but there is a number attached to it.

(JE) What number are you talking about Louis?

(LL) 5, so I mean those tests have to be sent out to a lab so there is going to be some costs, there not expensive tests they are probably under \$35 to \$50 per test. So they are not expensive in the grand scheme of things but there is a cost attached to them.

(DH) and we are talking about doing a certain number of them because what we are trying to do is build a relationship between UV absorbance and TOC so that we know so when Louis, his guys are out there and they

got this piece of equipment and they see UV absorbance's is x they know that TOC is between y and z and they need to adjust PH.

(MP) If you see this number you got that.

(DH) Yes, a general correlation it something they can do a test now and know about what the TOC is and then they can immediately adjust their treatment if they need to.

(LL) we are basically going to have to build a chart.

(DH) It takes a certain number of those and I honestly can't tell you how many that is, it is going to be more than just a few as we have seen from our lab test issues

(SB) And we are doing the recommended action plan so that we don't have to do the additional actions on the back because that is when we get to the point where we are spending the amount of money that we might just put pumps in.

(MP) Hey Louis if you would just do us all a favor in your regular reporting. If you would please keep us to date on how you are doing with these items, so that way we can keep in touch with the actions that you are taking and so we are all well informed.

(LL) okay

(DH) keep in mind this was the first time this was floated to all of you was Friday and certainly we would like to, I didn't even have a chance to sit down with Louis and go over this list and get his input. Although certainly Louis, Jason and I did sit down and talk about these issues pretty much as they are stated here. Certainly we want to be sure that not only Louis advised in on what we proposed because he knows the system better than we do. But that you understand what's here and have a buy in that you are comfortable that we have done what we are supposed to do and that Louis is to go forward...

(MP) Louis will buy in if it doesn't cost him too much! Are you buying in, are you good with the list?

(LL) there are reasonable costs and when I think they get out of line that is when I am not going to buy into them.

(SB) And we are already doing one and two

(LL) yes

(SB) yes, we are already doing one and two

(MP) Thank you Dennis, I appreciate it, good plan, I look forward to seeing continued solid results from all three labs.

(LL) To add to that, yes we are doing one and two. What we found is in our chlorine metering injector for the pre-chlorine we can't adjust it down as far as we want to. So I have ordered a different set of tubes that will let us meter smaller amounts of chlorine to get that down and be able to fine tune it a little bit. That was like \$600 bucks so I just went ahead and ordered it when it comes in, we will install it ourselves and make the adjustments. But it will allow us to control the pre-chlorine a little bit better than what we currently have. Because the tube that we are using is essentially a 20lb a day tube, we are getting a 10lb tube and the 20lb tube we are down at the very bottom of it and it is very hard to control when you get on either end of it. So we got the smaller tube we should be in the middle. It will give us a little better control.

(SB) Sounds good

(MP) We good with the water issue?

(TP) See if there is a relationship between ALS, Micro Bac from sampling date to testing date...

(LL) They are roughly the same, within a day or two, the samples that we take to Micro Bac the samples we take to ALS are dropped off usually within an hour of each other. And routinely they get them on the bench within three days.

(TP) What about Mahaffey?

(LL) That is the only one I am not sure about

(TP) Maybe that is growing in the container

(LL) It can be growing in the container, I do know that I cannot get results back from Mahaffey in less than 14 days. I have no idea how that applies in to it, but it could be that hold time

(SB) It's still brewing

(MP) still brewing

(ET) In other words our numbers were high because it was lying on the shelf for two weeks

(KB) possibly

(MP) possibly it was cooking there

(KB) possibly

(SB) that is the prevailing theory right now

(KB) It's a good theory, I like it

(TP) Pull an extra sample and let it sit two weeks and then send it to ALS

(LL) You can't because there is a hold time involved. In other words there is a maximum time the sample is pulled and when it is put on the tester,

(TP) well then ask them to hold the sample

(LL) We did and in one of the discussion that Jason and Dennis and I had, have that discussion of saying Okay we are going to take a sample today and we are going to send it to the lab and then we are going to hold that same quantity of water and send it in 7 days and see what happens.

(KB) yes

(LL) and it could be that is what is going to be the answer

(KB) lets do that

(ET) you said we couldn't hold it

(LL) You cant hold it for 14 days

(LL) Hold it for 7 days and run it up to the lab and then usually, like I say usually within an hour and a half to two hours after we get it to the lab, they have got it in the sampler.

(MP) it would be an interesting experiment, I am not sure what we can conclude with that

(KB) We can wait until Tuesday

(LL) That is something Jason and I will have to refine and see, that was one of the suggestions when we were kicking stuff around that we would do just to see. But the numbers are consistent we see what is coming out of the plant and we see where it is building in the system. The numbers across the system are relatively consistent. 13, 14, 14, I mean those are relatively consistent numbers across the system

(DH) for the two labs

(LL) yes

(MP) Alright, are we good with the water, the water quality? Forest asked to slip in a couple of items that were not part of our main agenda he promises he will hurry fast

(FM) very fast

(MP) so go ahead

(LL) First one is resolution 16-004 the purpose of this is just to put the authority in the position if they need to exercise their right of eminent domain to acquire the Boyd Johnson property that there won't be any delays in doing that, normally we do this and then we will continue to negotiate with him and hopefully we can come to some resolution so, this is just a simple resolution you can read it. It says that you are resolving and that you are acquiring the title and fee simple and at any time council and the proper officers are authorized to enter or file a declaration of taking which is the formal process to begin eminent domain and carry that on for the purpose of resolution. I bring this to you now because, I realize that Dennis and Rettew are pretty much fast tracking the test well. And if we are not in a position with Mr. Johnson and we go out and drill a test well and then you know it creates issues. So, as I said, when I talked to him after our meeting last time he wanted \$90,000 for this \$50,000 piece of property. And remember we had an appraisal done and it was \$50,000 and he said that the county said it was worth \$90,000 and I said holy cow they have it real high because they want

to get action back for it. I think I can negotiate with him and come to some, well maybe not \$50,000 but something reasonable that is always the way we have done it.

(SB) This is also the documentation then that there won't be any transfer taxes on it on either side.

(FM) yes, right

(SB) This basically says that so he doesn't have to pay transfer taxes on it

(MP) I have a question, I think I know the answer, I remember going through this before, but this, passing this resolution is not actually a taking of the property. It is setting up what? explain that, setting up the administrative.

(FM) Putting the authority in the position, if it chooses at some point to do, to take the property by eminent domain this is just the first step, you have to file a declaration of taking and file that with the court and given notice and everything like that, the condemnee Mr. Johnson would have 20 days after that is filed to object to certain aspects of the eminent domain proceeding, quite honestly, there would be none unless, there are none. I never had, I only ever had one time that we did this that someone objected they never followed through with it, so basically after you do this, you file a declaration of taking, put the bond in, which is just nothing more than a piece of paper saying that the authority has the money to pay the whatever the award would be, and then wait 30 days and we have control of the property.

(MP) so again, I am going to make this really simple. This does not actually take the property, in order to take the property the SBA would have to take at least two more steps. Do I hear you correctly?

(FM) Yes, absolutely

(MP) So we would have to vote on two more actions, before any kind of taking would occur. Everybody clear on what this document does and what its purpose is and why we may entertain a motion.

(FM) silence is deafening

(ET) I just hate the idea

(KB) I was just getting ready to say, it is just the whole eminent domain thing that just eats at my soul

(MP) That is why I just asked the questions, it just sets it up

(FM) In fairness to the authority

(KB) I know we only meet a once a month

(FM) it is a public issue and it is very hot public issue

(SB) and also, even if you guys had closed you would be asking us to do this if he said yes, I'll take the \$50,000 for it, because we need to do this to get out of the transfer tax

(FM) yes to avoid the transfer tax

(KB) it is just the whole word

(SB) I agree that is why I am not making a motion

(ET) It's in there too

(KB) I know it is

(FM) I can tell you this, in the 30 years that I have done this I have probably acquired 5-700 right of ways and pieces of property, I think I only ever had to use actually do a declaration of taking, only three times. I mean if that is any consolation to your woes.

(ET) I don't feel good for the three people you did it to

(LL) I want to say something, the last time we were looking for a well site, we were held up for almost 18 months because nobody wanted to do a condemnation at the end of that 18 months we walked away and we had spent nearly \$100,000 and we got nothing.

(KB) okay, fine

(ET) I will make a motion to approve resolution number 16-0004

(KB) as it reads

(ET) as it reads

(KB) I'll second it

(MP) moved by Mr. Tsambiras and seconded by Ms. Burrows, SBA Cumberland Franklin County Pennsylvania Resolution 16-004 as it reads, any further questions or discussion? All those in favor consent with an "aye" \*\*\*unison ayes are heard, all those opposed "No" \*\*\*silence motion carries unanimously.

(FM) I have one other quick request, this came from Salzmann Hughes, they represent a person who is buying a small piece of land on Old Mill Rd at the intersection of the right of way that goes back to our farm that Mr. Witter farms, this person that owns this property they have been using the right of way for years. This right of way was created by the person that the authority bought the farm from years ago Pauline Bard. This individual is getting a think it is a VA loan or FHA loan or some kind of special loan and they want to have, this individual has been using this right of way for years, without any permission or written documentation. But the lender wants to have something in writing so I don't have another piece, but basically this, I don't know if anybody is familiar with this or not.

(SB) Is it in the back part or the front part, is it off Mill Rd, so you got the road from Roxbury that goes this way and then loops, so it is the Mill part of the road.

(FM) yes

(LL) It comes off Old Mill Rd between the two houses and goes back, they are using it for a driveway

(FM) its like a hockey stick it also comes out to Roxbury Rd, so they would like to have permission. So when they first sent it in they wanted the whole right of way. I said whoa wait a second I don't want to give anybody permission be running up and down the right of way they doesn't need it, so now they just have enough for him to get onto his property. I would recommend that you approve it.

(KB) Are we being released of any liability at all

(FM) As far as I know we don't have any liability, but yes

(ET) It's our property

(SB) It's our right of way that he is using

(ET) no, no it's our property that he is using

(SB) there a right away across

(TP) That's the one where those people wanted to pave, three years ago

(LL) that is why I wanted to look at the map, I was just wondering if this is the one they wanted to pave or not.

(FM) yes it is

(JE) There is more than one person

(LL) Yes there is there is like three houses

(JE) further back the right of way

(FM) as far as the liability, I don't think we have liability because it is a right of way that we created in conjunction with the subdivision

(KB) if they are just using it to use it and we don't know that they are using it is different, than us acknowledging it and putting it into writing that they are using it, to me that seems like what are the chances, seems to me like there is liability with it, and Salzmann Hughes is very good about making sure that they remove liability.

(FM) We can ask them to put a clause in this right of way if you are so minded to...

(TP) it would be there right of way and they would be liable to

(KB) No, we are just giving them written permission to use the right of way, but still it is our property it's our right of way so the liability would lie with us

(SB) I am pretty sure that, don't we have pipes under that right of way no we don't have any pipes under that right of way

(LL) no but there are two service lines that go back there

(FM) There are multiple people that are using the right of way

(SB) So there are other people's service lines that our right of way is on

(LL) one of them services this gentleman's property

(SB) I would say the clause would need to be something along the lines of, that if he uses the right of way he could, basically if we do something like that then we are giving

(KB) it is a simple clause that the Shippensburg Borough Water Authority is absolved of all liability resulting from

(SB) his use of

(KB) His or any, yeah

(FM) There are three other houses that use the right of way

(KB) I don't know if we need to take action to do the same thing with those other three people or if we just say we don't know that they use it

(FM) we know that they use it, because it is part of their plan that was submitted by Pauline Bard

(KB) then we should be getting liability clause from them as well

(FM) These were deeds that were done in the '70's

(KB) I know it, but people...

(SB) I think the point is valid somebody using that right of way, those laterals, the service line gets damage by a vehicle driving over that right of way, on a road that isn't grated properly for the vehicles. So if somebody decides to, or they are getting some kind of delivery to the house and this vehicle drives over and this service line gets busted. It is our property, at the end of the day, you are probably going to represent us and we are probably going to end of winning. But it causes this legal issue that we don't need to cause, because we are allowing somebody to use an undeveloped

(KB) Especially if you are having multiple using the same right of way, a vehicle accident, much more plausible, much more plausible

(FM) I don't see how the borough authority would have any liability what so ever

(KB) because it happened on our property

(FM) but those properties have an absolute right to use the right of way, in their deeds. The only one that is in doubt is this one, the other three I could go and ask them, and I would tell you hell no I am not giving you anything because it is in my deed that it is my right to use it.

(KB) I would be honest I would tell you, if I lived in those houses I would tell you hell no too, but that is why we have you.

(ET) It doesn't matter, correct me if I am wrong, we are going to get named in the lawsuit whether we are...

(FM) that's another issue and if you want we can take this back and say look put something in here that says we are released the borough authority from any liability that's relative to this.

(KB) It just seems like the natural thing to do, I just can't believe. Well I can believe.

(JE) Can we approve it contingent upon that stipulation?

(FM) yes, if you are so minded I will be sure that it gets in.

(MP) Okay it can be approved with a contingent that they insert a clause that indemnifies

(FM) that they insert a clause that indemnifies and hold the borough authority harmless from any damages or claims that would occur on that right of way

(KB) Yes I like it

(SB) second

(MP) Is that a motion and a second?

(SB) I took that as a motion

(MP) okay any further discussion? All those in favor consent with an "aye" \*\*\*unison ayes are heard, all those opposed "No" \*\*\*silence motion carries unanimously

(FM) thank you

(MP) you are welcome

(FM) that is all I have

(MP) thank you, it's time for any other business Louis? Angelo? Kerri? Steve? Forest? Troy?

(FM) I do want to let you know I won't be here next meeting I have to go to Virginia, my sister in law has cancer.

(MP) wow, I don't envy that trip

(TP) sorry, I hope all goes well

(KB) seems to be a lot of that going around lately

(JE) I am not sure how much we are going to have on our next agenda

(MP) Oh we will be busy I am sure

(LL) a bunch

(JE) Okay good

(FM) I will give you a written report

(LL) That meeting that we had the other day, there is at least 5 items and I have 7 more

(MP) Charlie? Mr. Myers anything else? Thank you Charlie for coming to our meeting, Dennis thank you for coming and for bringing all helpful information

(DH) glad to help

(MP) thank you everybody, the SBA board for coming to a special meeting to take care of these significant items. See you in a week

(FM) you need to adjourn

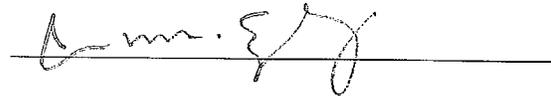
(MP) motion to adjourn

### **5. Adjournment**

(SB) motion

(TP) second

**Next meeting April 12, 2016**

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

Secretary