

SHIPPENSBURG BOROUGH AUTHORITY

NOVEMBER 14, 2017

6:00 PM

ROLL CALL

Michael Pimental, Chairman
Steve Brenize, Vice Chairman
Troy Pomeroy, Member
Kerri Burrows, Member
Evaggelos Tsamiras, Member

ROLL CALL

Forest Myers, Solicitor
Dennis Hammaker, Retiree
Peggy Miller, Retiree
John Epley, Secretary

AGENDA

	Page(s)
1. Public Comment	
2. Consideration to approve meeting minutes of October 10, 2017	1-20
3. Reports:	
a. Water Dept. Administrator	d. WWTP Manager
b. Engineer	e. Secretary
c. Solicitor	
4. Business Items:	
a. Consideration to Approve the purchase of VGB Radio Read Package from LB Water (\$25,000)	21-22
b. Consideration to enter into a CACP between the SBA and PA DEP	Saddlebag
c. Fossum Hollow Road Project Update	
d. Well #4 Project Update	
e. Fluoride Update	
f. Unaccounted For Water	
g. 2018 Budget	
5. Financial Review	
a. Consideration to approve Shippensburg Borough Invoice for October 2017	23-62
6. Any other business	
7. Adjournment	

NEXT MEETING

December 12, 2017 - 6:00 PM

Shippensburg Borough Authority Minutes November 14, 2017 6:00 pm

Present:

Michael Pimental (MP) Steve Brenize (SB) Troy Pomeroy (TP) Peggy Miller (PM)
Dennis Hammaker (DH) John Epley (JE) Evaggelos Tsamiras (ET)
Forest Myers (FM) Kerri Burrows (KB) Brian Kauffman (BK) Ed Goodhart (EG)

Absent:

- Public Comment none
- Consideration to approve meeting minutes of September 12, 2017
(SB) motion to approve
(KB) second
(MP) moved by Mr. Brenize seconded by Ms. Burrows, any additions, edits, corrections to the meeting minutes?
Motion carries unanimously
- Reports
a. Water Dept. Administrator (PM) 1a. Dennis will cover this, 1b. FPPE site- no updates 1c. Leaks, there have been three leaks. Issue at the Timber Hill tank in the vault, defective material and has been repaired. 1d. Unaccounted for Water, identifying leaky valves, replaced four corporation stops, fire hydrants. 1e. SCADA no update 1f. Fire Hydrant and Valve Maintenance Program, ongoing program. 1g. Schreiber and Shippensburg University Chiller Reads, In regards to Schreiber, you have Novembers report, I will email you October. SU Chillers if you recall they have an odd way of evaluating. As you recall back in December of 2014, the authority sent them a letter and basically they got 53 EDUs allotment, however that is evaluated on a quarterly basis but the way this is written these meters will be used to verify that the facility usage on a quarterly basis should any 4 consecutive quarters exceed the approved 53 FDU's Shippensburg University will be invoiced for the additional EDUs. We may very well be approaching that, if they don't have their winter quarter drop dramatically off they will be well over the 53 for a one year period on a quarterly basis. So I am bringing this to your attention.
(KB) Where are they at now?
(PM) if you look at the bottom of this page you can see the usage for Aug, Sept, and Oct based on 53 EDUs they are allowed for a one quarter period 767,970 gallons. They are well over twice that right now.
(KB) Do we know what they were last quarter of last year?
(PM) I do not know what the 2016 was but we can do some comparisons but I do believe that their usage is up (MP) so their chillers are used for air conditioning and their prime months would be in the summer and then when the students come back in late August that would be prime for them.
(KB) it is so odd to me because we had such a cool summer
(SB) the way that the contract is written where it is a 4 quarter period, where if they have 67, 59, 63 and 28 all those combined and divided so what you are saying it is based on the previous 3 quarters, so the Fall Quarter and the Summer Quarter and the Spring Quarter unless the Winter Quarter is really low we are going to have to talk to them.
(ET) no, we are going to bill them
(SB) well yes, but we will have a conversation first
(KB) I think it would be nice to know, what the last Quarter of 2016 was so that we know what we are facing in the December meeting.
(PM) I just wanted to bring this to your attention so that you are aware of it.
(MP) we have a clear document with them, explaining the process in which they signed off on

(ET) this has been going on for 3 Quarters, the first quarter, the second quarter and the third quarter (PM) when you average it all out, it is averaged over a 4 quarter period,
(SB) so if we take the 767,970 that is the amount times 4 quarters, they can't go over that number, so like 3 million gallons, they can't go over 3 million gallons in a 4 quarter block or we send them the bill for the overage (ET) should any 4 consecutive quarters exceed the approved 53 EDUs, they will be billed (SB) right, so right around 3 million somewhere during a 4 quarter period if they are over 3 million then they will get billed the additional EDUs
(PM) it was in 2014, who was on the authority?
(JE) Geno Torri, Michael Pimental, Troy Pomeroy, Steve Brenize and Dennis Fleagle (MP) so they came in and initially needed 3 to 4 times that until they found out they had to pay for them. Then they had all these arguments as to why they weren't really going to use that much because they were going to take other Chillers offline and they were reducing the number of people, so this was like a compromise after 18 months of conversation with them. You say 53, we will let you have 53 but if you use more than 53 for 4 consecutive quarters then we are going to have to charge you more.
(ET) did it happen that with the December of last year and the first three quarters of this year, did they exceed that?
(PM) I do not know what the December number was, I will look that up and send that out.
(ET) because it is 4 consecutive quarters it could of started the 3rd quarter of last year
(PM) I think we need to discuss that, because the way that I interpret that is a rolling quarter or a rolling average as opposed to annual average
(SB) if we bump them up from 53 to 57 and then at some point they go above the 57 and we got to bump them up again, if they continue to increase until they get to a point where they are not increasing. Their agreement was that they are building this chiller plant to be used for more than what they are currently using it for.
(MP) yes essentially, their argument was that they will be using less water in the future and not more water
(PM) I will review that and get that out to everybody.
(FM) in that vein they were trying to offset the alleged savings from tearing down non efficient residential halls and building new ones with more efficient fixtures and fewer rooms.
(PM) my next item is the budget request, 1.h. business item 2. DEP a. CACP on agenda. b. discussed later. c. Well # 2 in Dennis's report d. LT2 Cryptosporidium, samples collected Oct 3 and last Friday, we will complete that Oct 2018. e. HAA5 samples were a little elevated and we attribute it to a couple of things, we had a warm October. Hydrant flushing continues and it has been very sporadic and will be re-evaluated for 2018. f. Gunter Valley Water Plant no updates g. NPDES permit, nothing new h. SWPPP- no update. Valley Quarries is selling the property and there is a potential buyer and concern about the well head protection around Well # 2, what they can do, what can't they do as a buyer coming in. I asked VQ if they consider selling a silver of property around Well 2 for added protection. I asked him to contact Forest, because of past conversations.
(FM) we will need to take out Well # 4 that is part of the Alleman issue, and the spade loads
(PM) I told him at a minimum we would use that Well as a monitoring during drilling and pump testing. This is something that needs to be a discussion, well head protection, and a monthly agenda item. Well 2 is our greatest source
(SB) would there be industry standards based on the depth of the well and the formation that it is housed in that says like basically you have a million gallon well and it is dug to this level and it is in limestone and this is how big your Well head should be?
(PM) DEP does have generic standards, zone 1 I think is 100 feet, I think zone 2 could be up to 400 maybe 500 feet.
(FM) we have 400 feet at Well site 3
(PM) do we have easements for Well 2?

(FM) to be honest I don't think we have gotten that far, we met with DEP and entered into an agreement with Valley Quarries that DEP was satisfied with as far as how they remediate spills or notifications and stuff like that. To be frank about it, I don't think the issue of having well head protection ever came up from our engineers.

(PM) He also asked me, because with Well 2 which we have at all the Wells it doesn't happen very often because Well 2 doesn't ever really shut off. But we have a blow off period when the well starts back up and the drainage area from that blow off area goes right down into the Valley Quarries property.

(FM) it goes into an intermittent stream.

(PM) yes, but it goes through Valley Quarries property to get there and he asked me about that as well. So I believe this is something we all need to be aware of and that we should probably keep it up at the top of our list on the radar. Because something is most likely going to happen out there, even if it is sold and they do the same thing. He also asked me about where our line goes to the tank out there, because he said the buyer is interested in doing some demolition and destruction.

(FM) originally our line came down through their property and behind the properties on Lindsay Lot Road, there were properties that were serviced by a line that came down out of what used to be a dam out there. That fed a line down behind those houses, but when we moved that line out to the main road.

(PM) so anyhow it is a concern to the authority to protect that source.

(FM) So as far as Well 4 he is looking for some kind of assurance that he can give to the buyer that, that well will be removed?

(PM) no he wants to know what the status of that is and what we are going to do with it. Not whether we close it or abandon it properly or whether we move over and use another location. He is interested in knowing what we are going to do with it.

(FM) I don't know what you mean by move over

(PM) move 50 feet and redrill

(FM) on well 4

(PM) yes, it was a thought, you know it was an option, I am not saying we are going to do it. He wants to know what is happening with the well there and the site. I told him we would keep him informed as we move forward.

(SB) we are looking for loads and then we have a purchase agreement if we want to.

(FM) he will stay in touch with you

(MP) so Peggy this is obviously a real important issue and in my mind I guess in my mind I don't have clarity as to what our next steps will be, do you have anything to share?

(PM) the big concern I have is protecting Well 2, so I think there are a couple of things we need to do probably in parallel. Number 1 is, what should the well head protection be around Well 2? And an overlay area and how do we develop that and how do we enact that and enforce that. And at the same time keep these discussions with Valley Quarries going just to see how serious this sale with the potential buyers is going to be.

(MP) who is the right person to reach back out to Valley Quarries? Is it you? Is it Forest? Because we do have a contract with them, we have a legal agreement still in place with them?

(FM) we have at 2 and at 4. As far as the right to be there and the right to purchase, with respect to number 2, do we not have a problem, not on Valley Quarries property but on the other side of the property because it is so close to the road and there is no way unless we take those people's front yards to get the 400 foot radius on that side. Getting into Valley Quarries, I don't it will be difficult to deal with Valley Quarries as far as Well 2 because number 1 their mining operation is distant from that site. They drive trucks back and forth beside it, but the actual quarrying process is probably a half mile or more up to the foot of the mountain. Then they can't mine close to the road, and there are all kinds of restrictions on a mining permit, there are setbacks from properties and that kind of thing. It is not likely that their mining operation will adversely affect Well 2. I don't think that is possible but it makes sense while New Enterprise Stone and Lime are still the owner of the property and they have always been very cooperative to get in place that 400 foot easement on their property. In order to do

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month. The Senior Center had a serious leak, and they couldn't find it and then they found it, it was the toilet. The water bill is typically \$500 and this bill was \$1300. It was brought to Johns and my attention would we entertain water forgiveness? We reviewed the policy the policy is specific to residential, residential that is not a rental, and you must meet the low income requirements. So it was our opinion, that while we feel for those folks, this would not qualify under the current policy but we would at least bring it before the authority and make you aware of this concern.

(ET) who owns the building?

(KB) the borough does it is rented, long term lease by Messiah Lifeways

(SB) for now, but that is changing

(ET) who does the maintenance on it

(JE) the borough is responsible for maintenance, and we had a professional plumber over there several times, and Kevin didn't have an answer as to why it wasn't caught, but when they finally figured out what the issue was the damage had already been done. The borough is responsible for the maintenance of the building

(ET) but the tenant is responsible for the water bill

(JE) yes, we don't pay the water bill, so Kevin is not a plumber, and I don't know who he had out. We were asked to mention it to see if the SBA would consider a relief, even though it does not qualify, because it is the senior center.

(SB) their argument could be made because even though they do some fundraising and there are donations the contract that they have is with multiple municipalities in the area to provide this service and so a lot of their funding comes from the municipalities that we operate in. So it could be one of those situations, the problem is that is not within the bi-laws to be able to address it. It could be one of those situations where we waive the tapping fee, for the comfort station (rail trail) because of the benefit to the community. So the argument could be made along those lines, but it is not in our bi-laws.

{KB} I can't imagine that we haven't had an issue with a church or something like that, what have we done with them?

(PM) I don't think they have ever come in and asked for relief.

(FM) Since that policy has been in effect this might be the very first non-residential request that has come in, before the board. I cannot recall a single commercial or nonprofit or church type organization that ever came to the authority to ask for water forgiveness

(KB) who is the director of the Senior Center

(JE) it was Ann Hinkle, but her name has changed, she got married

(SB) I would counter what with what Forest brought up, this isn't a commercial, it is an NPO, and this is a non-governmental organization.

(ET) if we decide to waive a portion or all

(KB) we can't waive it all.

(ET) I am talking about the difference the \$700, if we were to waive that, is there a way that we can word it, so it excludes,

(FM) everybody else?

(ET) it is a senior center it does good,

(SB) in a building that is owned by a municipality that we are chartered by, If we can't do it we can't do it. But if we can find a way to do it, it makes sense.

(KB) the reality of situation is, that we can do it; all that we have to say is that we are going to do it. But we have to understand that we are opening a can of worms. With that being said, somebody comes to us 2 months down the road, there is nothing preventing us from saying this is a different set of circumstances. It is not like they can't say that it's not fair, but if we want to do it we can do it.

(JE) didn't we just implement policy or, this, because the School District had asked

(PM) that was for tapping fees, for the school district we did not charge them tapping fee for the one EDU.

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that we would have to have somebody go out there, a surveyor go out and draw a 400 foot radius around the well. It's a 400 foot radius and not a diameter. That part of it and plus the drainage easement should be addressed at the same time

(SB) the drainage easement, which stream is that?

(FM) this is an intermittent stream that actually begins at the site of our old dam and goes down out of the mountain and it runs are you familiar with frog town. There is a development out at the end of Lindsay lot Rd, maybe 8-10 houses that is frog town. Anyhow the stream starts at the Dam and then it runs down behind those houses and then down and across the quarry property and across the orchard or McDonalds property.

(SB) then it crosses White Church

(FM) yes, and it is an intermittent stream and runs only when it's raining or when you have these big storm events but otherwise it is like gum run, who ever knew gum run was a stream, it is a ditch with rocks and no water and that is what this is. So I would say the two pieces for well 2 would be to get the 400 foot easement or buy the land, if they are willing to sell and also get a drainage easement across their land beyond the 400 foot easement for the purging that goes on every so often

(MP) Peggy do you have any reason to talk to these folks again?

(PM) sure, we decided to stay in touch and he gave me his card, and I emailed him and said nice to talk to you let's stay in touch. I told him that I would bring it up at the next meeting and he said that is fine. So I can reach out to him at any time

(MP) why don't you get back with and float these two ideas by him and this is what we think would be a good way to go. I am sure they don't want their buyer to get tangled up

(FM) the question I would have and I should know this answer to this but how do you actually define the radius? Does somebody actually physically go out and survey the radius? How does that work?

(DH) it could be done geometrically

(FM) the sale idea might be preferable to them; I am thinking that a buyer would rather not deal with an easement.

(PM) I got the feeling that the buyer was very concerned about any restrictions, et cetera on our Well-being there as well as our line going up to the tank. I don't want the buyer intends to do. I think it is better to deal with folks we know as opposed to folks we don't know.

(FM) the second part of it, that is a more urgent piece for use, because we an agreement for an easement to run in and out of there to do the well but we don't have a permanent easement if we develop the well. That was always a part of what was going to be part of the next piece once we determined that a well was going to be developed. Then we would go back to New Enterprise Stone and Lime to determine, identify and lay out a permanent easement. We need to define an actual easement and getting a document from them, because this is not a piece of property that can be mined.

(SB) so our agreement was that if we source a well there, then we were going to sell water to them?

(FM) we would give them up to one million gallons a year.

(MP) moving on. 3. UCMR 4 a. six quotes for lab work. 4. Well a-d. everything looks good. e. Rowe Road waiting for record drawings. e. Water line repair- no update f. Fluoride agenda item. g. October reports have been submitted. 5. Developments a. attached spread sheet. b. D & A Rine- capacity approved c. villages at Orchard Hills- no update d. Gandy Manor Phase 1B, we have outstanding punch list items. e. Southwood Crossing Phase D completed f. Southwood Phase 2 completed. g. Dynamic Castings- no update h. UBP Phase 3- 18 month maintenance period. i. UBP lot 6. Construction continues, vault installed and lines tested. j. Dollar General construction completed, awaiting close out documents k. Dollar General- Cumberland Highway- no update l. 253 Pin Oak Lane, fire hydrant relocation most likely done in Spring of 2018. m. Shippensburg Library- construction complete waiting for record drawings n. Byers Farm- no update o. Hoffman Mills 120 N Seneca Street, Temporary Service established July 31st, unsure if the tap fees were paid. 6. Possum Hollow Road Water- Dennis. 7. Roxbury Holiness Camp- no update 8. Water forgiveness Request- none received this

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(JE) and we waived the lapping fee for the Rails to Trails building

(KB) it was the same situation for both of those, like he said it was a non-government operation in which it served a greater good. And I think that this in particular situation is even more unique, because it is a government owned building that is leased out.

(PM) May I make a suggestion, that you have several of you work on some language, moving forward you can always modify and include language in your rules and regulations if you so choose. They paid the bill, the bill is paid this is past history.

(FM) my advice to you as a board is, to think about not just this particular situation, or the school district, but what if heaven forbids that something was to happen to the library,

(KB) I would view it as the same situation, as a church or a nonprofit counseling center, like the Harbor as opposed to H&H Chevrolet.

(FM) I am just saying, Peggy is correct, if you are going to do it as a body you have to have very good language that addresses the questions that you want to address and doesn't open a large door for a lot of other people to walk through.

(KB) the reality is this is the past, they didn't make a request, it is not being brought to us, and she is just letting us know that something happened.

(PM) an individual came to John and I, and said would you personally consider this.

(JE) I personally think that person was approached or else he would probably never brought it to us just to see if something could be done.

(KB) my guess would be that the lessee went to the borough and said this isn't our problem and you need to fix it situation.

(JE) and that didn't happen

(MP) no reason to take any action, there is no request in front of us.

(PM) I am simply saying this discussion was had, and we reviewed the policy and we explained that is for residential non rental only, onetime forgiveness and they are income requirements, and that we would bring this up tonight.

(MP) the forgiveness policy intent is to help those people with very low incomes who encounter an extraordinary circumstance that is beyond their means to cope with. As much goodwill we may have towards organization, it doesn't really fit that criteria. We can't cause every other rate payer to chip in to solve their problem.

(KB) I counter that with every other rate payer already does pay to solve that problem, because a majority of the funding for that building is based off of tax payer money.

(JE) it is a donation from the general fund, yes

(KB) from the municipalities we serve

(JE) yes all of them

(KB) there are municipalities involved that we don't serve

(MP) I think we can just move on, thank you for letting us know

(PM) I have one more item that is not in my report that came up today.

(JE) we will save that for the budget

(MP) any questions for Peggy concerning her report?

b. Engineer (DH) 1. 2. were verbally discussed last week, that the chlorination changes of Gunter were finished and Well 2 we got the permit we can go out to bid and probably should go out to bid early in 2018 so we can begin construction in the Spring. 3. Is an agenda item 4. Agenda item 5. Is the SRBC meeting that Peggy eluded too, there is a two page memo which I am sure everybody has read and is in your packet. I think the summary to that is on page two at the bottom. Item 5 states at the aquifer test waiver request if we are going to do that, we are recommending that you do that and submit it at least one year prior to the date of when the renewal application is due and in your case that would be in January of 2019. So that whole package

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the waiver request should be submitted to them, and finalized by January of 2018. In summary, the SRBC indicated that an Aquifer Test Waiver without additional testing is potentially a viable option for the renewal of Well 1. So that is good news, based upon the information that Brendan sent and brought, that they felt there was at least a chance that we could avoid an aquifer test by requesting a waiver. That our circumstances were such and the data we have is not as good as what they would like to have, conceivably it is good enough. That we could get a waiver and not have to go through the expense and effort of doing a full blown out aquifer test which would save us some money. Our goal is to save you some money and not have to do that test. So under the recommendations, we are recommending that you begin that analysis that is discussed up above in number 4. Right after the first of the year, so that gives you a whole year to look at it and see if it is adequate and see if there are any problems. Put the waiver request together and get that in the SRBC by the end of the year. And that is our recommendation and we can talk about that whenever maybe in January to give you a proposal to do that assuming you would like Rettew to help you with that and we can get that moving forward and stay on the schedule that the SRBC has suggested. Any questions about that item? 6. Well #3, the permit to change the disinfection method there at well 3 that package is done and it is on my desk for a final review and I expect that to go in, in the next day or two depending upon what my schedule looks like tomorrow. I will get that in by the end of this week by the latest. The good news that we got back from DEP is there was no fee, and requires just some minor modifications so financial impact there. 7. Gunter Valley, evaluation has been completed. That is it for me

(MP) any questions for Dennis? Okay thank you Dennis

c. Solicitor (FM) I have two items, I just wanted to update on our last meeting. I did reach out by letter to the three individuals on Possum Hollow Road; The Weavers that is the organic farm that had provided some posts and feed and straw to remediate the site afterwards. And then I reached out to the two Marlins as far as any lost crops. I have not heard anything from any of them. Before we end up this project, I do want to call them and ask them if they have anything. Especially the Weavers, I had made it clear that we did need an invoice. The only thing I have a report on is the Lurgan Pumping Station. I met again with Mr. and Mrs. Keller we had a hour and half discussion. Mr. Keller was continually saying that he wanted \$20,000. I said that we were willing to give him the \$12,000 that you folks had authorized me to. I made it clear to him that I was not authorized to give him one nickel more. Long story short, at the end of the meeting Mrs. Keller said let's just get this settled give us \$15,000 and we will take it. I said that I am not guaranteeing anything but I will take it back to the authority. So the bottom line is that they are now up to \$15,000. And trust me this was not something Mr. Keller was happy with.

(KB) my opinion on that is No.

(MP) I tell you what lets hold that, lets hold that subject, because it actually plays in a little later. We will have a little more information that may influence what you know. We will know tonight.

(FM) okay that is all I had

(MP) there is a big surprise coming up. Any other questions for Mr. Myers?

(FM) you had asked me about the contract, I contacted the county and I talked to them today. They actually don't have an agreement between LIDA and FCGA because basically they operate as one in the same. But I did some research and it turns out that actually the Franklin County General Authority does in fact own and operate the reservoir and water system in Letterkenny. It is not operated by LIDA.

(SB) so it is documented wrong at the state? Didn't we find out that that they were the owners, that they owned it? (FM) no the general authority owns it, but we thought that Letterkenny would have an agreement with FCGA to operate it, because it turns out in the whole scheme of things, all that the LIDA function is to sell the land at Letterkenny. There whole mission so to speak, is that they were created by the county to act as a real estate development company.

(SB) so we purchase water from FCGA and that is who our contract is with and that is who according to the deed owns that property.

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(FM) John gave me a copy of that contract and we can share it with everybody. Yes, you as an authority are dealing with entity that owns it.

(MP) So FCGA owns the Letterkenny reservoir and they operate it

(FM) they operate that and the water system in Letterkenny

(MP) so if we negotiate with them we are negotiating with the correct party. Any other questions for Forest? d. WWTP Manager (JE) these are the basics that have been provided to me from lance Hoover who is still consulting for us at the plant. The other big ticket item that I have been keeping up on for the SBA is the headworks project. We had a meeting last week with the engineer and the contractor and the borough. We have gotten to a point with design where the start coming up with some numbers. We got our WQM permit from DEP to move forward. So now we can get some pricing. We are going to price the actual headworks, the primary and secondary screening through a contractor that Costars qualifies, so we can spec it out. And the borough is going to deal with that directly and keep it out of the contractor's hands so we don't have overhead for ordering something that we are certainly capable of doing. So that is going to happen very soon, we are dealing with some numbers that don't quite add up between the contractor and the engineer. We do have a meeting this Friday to try and figure that out. It is moving forward and the good news is that the design will not require the removal of the roof, which we were afraid we would have to do in order to get the equipment in and out. It looks like we will not have to do that which is great. Ripping off a roof is never a good thing to do if you don't have to.

(MP) major surgery there.

(JE) other than that, it is a personnel matter and I am not going to mention any names but we have been operating without a foreman in the water department and when lance Hoover left we lost our manager in the waste water treatment plant. We have since had someone at the plant who has been there for some time who is capable of taking the reins with some assistance and training to get him to where he needs to be. So one of those employees is coming out of the union and moving into a management position and will take over as the plant foreman. Not the manager, but the foreman he has three years to get to where we hope he will be and at that point he will be waste water manager hopefully, he is highly motivated and he is certainly qualified. He has the right attitude a young guy with the old school mentality of the work has to get done and by the end of the day it is going to get done. We are very happy about that the next step is to get the water department moving along to where we want to be someday. But I am very happy that we are resolving that which will require the filling of an open seat, down there for most likely a waste water mechanic 1. We will be filling that so that we will be able to continue with our I & I program which is making some headway. We met with our engineer on that who is GHJ; we know where we believe our worst basins are for inflow and infiltration basins 4 and 5. We are still on the east side of town down by CJs area around there. Coming in from Southampton Cumberland area we believe that there is something going on there, kind of funky and we are going to figure it out one way or another. It is just a matter of getting a camera truck into a marshy area is not going to be easy. So we are making progress at the WWTP and the programs that are mandated by DEP for I & I.

(MP) any questions for John?

e. Secretary (JE) I have nothing except for several items listed in the agenda that we will deal with when we get there.

4. Business Items:

g. 2018 Budget (MP) so you received a new budget tonight, this is different than the one that you received last time. There is also an explanation page from Nicola. So in order for this to make sense we are going to have John and Peggy fill you in on something that happened today.

(JE) I can start, as you recall we have been notified a few months back that Penn Dot intended to resurface King Street in its entirety. We had received some letters along the way, the last letter that I had received said; they will have preliminary plans to us come 2020, where they would let the project in 2024. We planned our

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budget accordingly for a 5 year budgetary issue so that we can get to the 2 million dollar mark, that we needed to be at, which we thought it would take care of our improvements on King St.

(KB) so when are they going to resurface?

(ET) bottom-line get to the chase

(JE) we found out that we have 4 years less than what we had anticipated

(KB) so next spring

(JE) Spring of 2020, it was quite a shock to us, we all met at TSC with Penn Dot and they sent out their best. We said you are saying 2020 and in our letter it is saying 2024. She said well mine says 2020, so yours must be a typo. So Peggy and I gasped, and I found the letter and it clearly says plans by 2020 letting at 2024.

(KB) so how much money do we need?

(JE) so the point is, we have 4 less years and in the van when we riding around with Penn Dot

(PM) the gentleman from Penn Dot who was their utility coordinator was sitting beside me, and said well we were just here yesterday, and I said you were, what were you doing here yesterday? He said that we are doing the same thing on 533 and 696.

(KB) when is that happening?

(PM) the summer of 2018, we did receive a letter but we were not invited to any of their pre-meetings on that one.

(KB) what kind of financial issues does the 533 create? Hydrant replacement?

(PM) we took a look at it, that project is really skewed, it starts out at Morris St from King St and goes out and stops and there is a gap until it gets to Orrstown. I called Daryl and I said we have a lot of catching up to do here. We have to take a look at a lot of things in a very short amount of time. We looked at the board, and saw a couple of things that concern us. Daryl believes that system at Orrstown is fine, that we have no issues with valves, hydrants, or lines. This is the project, the Penn Dot project on 533, stopping then picking up in Orrstown and everything in between is not happening. Coming from King St through here, Darryl says he knows of two valves, one at Lurgan and Morris that is bad and will need replaced. And something at the intersection of Morris/533 and King, and we have never been able to locate where that leak is. The other item right here on Morris, the first 400 feet coming off King St on Morris, this 4 inch pipe. Everything going out is 6" pipe so it would certainly make sense to replace 400 feet of 4" pipe to 6" pipe. This is a lot to do in 8 months' time.

(KB) especially when, 4 months of that is going to be subzero temperatures.

(PM) you have to do planning, design; there is a lot to be done. We said joking that we could go right in front of them, okay you guys wait, hold up until the next stop sign. But all joking aside, here is what we think we would like to do going forward. It is budget time this is not budgeted and we will talk about that in a second. In the best of both worlds we want to do it the right way. And the right way says replace 400 feet of 4" line and if we have valves that are bad, get them replaced. If we have areas that don't have valves, that need valves let's get them inserted. I have asked Daryl to do two things. Because I budgeted and planned for 6 valve replacements either we are doing that ourselves which we probably could. We are doing the 400 feet of line, I don't think that we would do that, so let preliminary look at that. In between now and December when the budget has to be finalized, I asked him to go out and put a wrench on every valve in that project area, to see if it turns or does it not turn, is it crooked, is it bent, does it need replaced? So we would have a true idea of what we have to do. Or we could get very lucky and only have to replace two valves and that is it. Or we could find that we need to replace 10 valves and 3 hydrants. We do need to assess the situation, so that is the game plan there for 696, obviously our water line does not go all the way out. The goal is to assess the infrastructure for that project and determine what needs to be replaced. The next question of course is how do you pay for that, and I am not sure we are ready for that discussion but it does dovetail in to King St. I have information, because Penn Dot has been talking about this forever and Louis had done a summary in January of 2016 on this exact issue. I am assuming that he provided to all of you, he strictly looked at valves and fire hydrants and

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at the time from King St from Morris St through Cumberland all the way out to the split at 174. His assessment was 30 valves needed to be replaced, 33 valves were fine. I think that number may go up a little higher than 30 needing to be replaced. He had 8 fire hydrants that would need to be replaced and or relocated. That is an ongoing discussion with Penn Dot; Penn Dot believes that they can simply move the ramp away from our hydrant. If we do not need to move hydrants, they are not paying to move anything for us for hydrants. If our hydrant is in the way they are moving the ramp or they are going to shorten the ramp that is what we found out today. So let's to the heart of the matter, the line, if they are digging it up now is the time, it is very expensive to do. We have a 6" and an 8" one on one side and one on the other. One is really old and one is old. Louis had done an assessment in January of 2013, and he looked at replacing both the 6" and the 8". Which I would think why do that, just get rid of the 6" and the 8" and put in one 12" down there. I would not remove the 6 or the 8 it is too much added expense, just simply try to find an alignment and put a 12" down there. That estimate, was a little more than 2 million dollars but if we are not doing two lines just combining one, 2 million was the guessimate that is not based on any engineering specifications

(DH) we did not look at it

(PM) Dennis is sitting here looking at me; there is nothing out there, so we are talking about spending a lot of money. We were talking about spending the money before on King St but we thought we would be able to budget nicely over several years to be able to do this. So we started thinking after we left Penn Dot, and we asked Michael if he wanted to hear the bad news before the meeting tonight and started brain storming on what opportunities we have and what opportunities we don't have to move forward.

(MP) does anybody have any questions about what just happened and what it means?

(TP) my thought is if we are opening up Orrstown the cost difference between 4 and 6, we might as well put 6 in.

(PM) that is what I am thinking too, a 4" is substandard for a hydrant. I hope we don't have a hydrant out there on that 4".

(JE) there is one more item associated with these line changes, if anybody is hooked laterally with these line changes. If you are attached laterally to a 6" line, and then now you will attached to a 12" line. That is a significant difference; we need to address that and who is going to pay for that. We are making improvements it is not because something that the resident did, it is something that we are doing. We are going to have to discuss this in the near future.

(KB) how many laterals? A lot

(ET) is there a way that we can change our water rates to help pay for this? For example, if we raised water rates by \$2.00.

(SB) I don't think that we need to. Here is my thought so we are wrapping up a project now, we had some projects that we were thinking about, and one of my goals is that we don't want to let opportunities slip away. We are going to spend significant amount more to eventually do this somewhere down the road then doing it now, when Penn Dot is going to have the street open.

(KB) and the reality of the situation is this should have been done 10 years ago.

(SB) so here is the thing we have some projects that we are working on. We don't need Well 4, and we bring in 3 million dollars a year from just revenue from water, not tapping fees, from our water customers and the actual operating expenses when you look at the operation expenses and the debt payment is 1.553.

(EG) you also have to remember there is the transfers to capital improvement and for 2016 the expenditures were 2 million 9 hundred 4 thousand 6 hundred.

(SB) and what I am saying this is a capital improvement.

(KB) we still have a surplus

(SB) what I am pointing out is we freeze everything, unless somebody comes along and has the money to pay for it and make this our priority. We have the money, as board we need to pivot right now and say we are going to continue to do research on Well 4. But we are not going to do anything with 4 unless somebody comes

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along and wants to develop it with us. We will continue to do the research and the engineering and stuff like that. But this is where our focus is going to be on, to take the revenue from this year and next year and put that all towards Kings St. I mean if we do that, then we will be okay. And maybe if we get to the point and other projects come along if we need to raise rates then fine, but unless I am completely looking at these numbers wrong. I don't see a need to raise rates to do this, we just need to pivot and make the decision that this is our priority we are going to take the money from the next two years and it will be set aside for this project.

(KB) I think one of the very positive things about the SBA is unlike almost all government organizations we are financially sound and in good shape.

(PM) let me throw out a couple more things that you don't know about the project. We were calling this King St; we have renamed it to Penn Dot resurfacing since it is multiple streets. Once they are done there is a five year no dig policy.

(KB) that doesn't make any sense, how can they say that?

(PM) wait, it gets better than that. Penn Dot also has a cost sharing program for these projects, but it cannot be for betterment. So take all common sense and flush it, we cannot go to Penn dot and say we would like to participate in your project with you because we have a 6" and a 8" and we know that the 8" is older than all of us sitting in this room and it is a problem and we can't pave. We believe that if you come in here and dig this up and you are pounding and you are rolling, that is betterment.

(KB) what is the cost sharing for, if it is not for betterment?

(PM) for justification

(SB) the state is literally insane

(PM) so here is where we are with this, we discussed this, we said it would be our opinion that we were planning and we probably have records that show that we were planning on doing this in 2023, 2024. And now that has to be pulled back, so we believe that we can justify to Penn Dot a cost sharing with them that they would pay some portion of it. Because of the 5 year no dig

(SB) yes because we wouldn't be able to dig, less than the 5 year

(PM) so we have officially gone on the record and requested from them, what the criteria for justification are for cost sharing.

(KB) what is the borough going to do with the I & I?

(JE) I & I and King St will have to be addressed in the same time frame.

(KB) so we are not the only ones that are in a financial pickle.

(PM) so we asked for the definition of what is your criteria and we also asked for an example of another municipality who has successfully partnered in the cost sharing program. Whether we hear back from them or not, I don't know. I think we should explore that option.

(KB) it seems like two monumental projects for Penn Dot to be taking on in a small area.

(JE) they just notified us this year at the end of the year, one project starts in less than a year the other one starts in two years.

(MP) Peggy is going to check with communities that have also gone through this and how they may have justified theirs.

(PM) Gellysburg,

(MP) rather than reinvent the wheel we will just copy some one else's successful program. Let's talk about some of the realities of what we can do about this. So Ed I am really glad that you are here this evening. So here are some thoughts. We talked tonight; I said we held off on coming to a final decision about Forest and negotiating on the land for the Lurgan Transfer Pump Station. There is a piece of that that goes here and here is what it is. We have budgeted in the past some \$350,000 to build the pump station out there. But they just shut the fresh water treatment plant down for three days in order to put in the changes that they have made to the clear well. The Roxbury tank was filled and in those three days it went down two feet. From that we are

estimating that there is a two week supply in that tank. I don't know if you remember Troy, but I distinctly remember sitting around this table being told that the tank would last about two to three days.

(ET) I think I remember that, he might have told me that on my tour.

(MP) turns out that this tank may be good for two weeks.

(PM) that's pushing it, we would have to be cautiously optimistic

(MP) so the point is this, we don't need to build that pumping station this year or right away.

(FM) or even next year

(MP) right, it went from a, we should really have this to a well this would be nice to have. So we can take those dollars that have been previously budgeted remove them from the fund that they are sitting in and bring them into the budget into the line item that we previously called 5 year King Street improvements. That now we are going to call DOT resurfacing. So instead of starting our first year off with \$400,000 in there we will start our first year off with \$270,000 something

(PM) close to \$700,000 because we are adding the two

(MP) \$721,000 is something close to the number. So that gives us a good jump start. The other thing is that we have 2018, if we tighten our belt just a bit and put \$500,000 instead of the \$400,000 that we were saying we could do. And we did the same in 2019 and 2020, because don't forget we would approve our budget in January and the digging would not happen until June or later. So we could budget it and that's give us another 1.5 million that we could get in ahead if you will on this project on top of the \$700,000 that we are talking about tonight. I think we could cover the bill doing it that way without necessarily having to stop everything. Just as Steve was suggesting, pivot a bit and have a cautious eye to what we do going forward. That is the general theory. The other thing I want to let you know about the budget again the budget that is in front of you is slightly different than the one that was presented to you last week. The other changes at our workshop meeting last week we talked about the capital equipment fund initially funding it at \$30,000. I asked Nicole to actually put that into the budget and see what that would look like, so it is in there. Also these transfers I asked Nicole to give us a sheet that explains how these transfers are going to happen. And that is this explanatory sheet you see from Nicole, so the bottom line is the overall affect to capital plus the \$231,620 all the steps that you see above there, are the steps that she is taking and where the dollars are coming from. From these different line items in order to bring it all into this capital improvement fund specifically to the DOT resurfacing project. I just want to be clear where the dollars are coming from and how all this is going to happen. So the budget that you have in front of you now this evening includes the \$30,000 for capital equipment and it includes the transfer of dollars that had previously been budgeted for the Lurgan Transfer Station shifted into the DOT resurfacing projects. So I think we need to have a budget discussion now. Let me ask Treasurer Goodhart, the budget as currently presented, if we were to pass this budget as it is currently presented would we be jeopardizing the finances of the SBA moving forward.

(EG) no, in looking at your budget on your various lines, we have projected a significant transfer in the operating fund to capital improvement this coming year and basically we have accumulated excess revenues over expenses over the years. Because we have raised rates a long time ago, more than we probably should have and we have built a substantial balance in water operating. I suggested to Mike that we transfer \$3.5 million dollars in addition to the regular capital improvement allocation to capital improvement to reduce the fund balance in water operating. So that is a one-time gain, if you will, in the capital projects. There is nothing wrong with it, there is no issue with us having rates greater than our expenses because we have known over years there are always projects. I suggested that we do that and that \$3.5 million is a one-timer but that will still leave enough in water operating to cover contingencies and so forth, because at the end of 2016 we had \$4.6 million that was at the end of 2016 that was in water operating cash. So we would still have then \$950,000 and plus whatever this year we might have.

(SB) so your argument is to keep enough to pay for the operation expenses in the operation account for one year.

(EG) yes, we have enough there basically

(SB) right because you go down to \$950,000, minus the debt payment you are looking at the actual operating system, you are looking at \$900,000

(EG) yes we would have enough to cover that plus, there is a surplus this year also, so the balance of \$4.6 million was 11/17 and that would give us enough, if we had no revenues and only expenses we could cover it. Because if we had no revenues, then we at the end of the quarter somebody would issue some kind of document that said water revenue have to go into an escrow account because if we are not producing water, then there is no revenue. But if we are producing water the money has to be somewhere so it would be in escrow. I think yes, we will have no issue in the operating fund in capital improvement again this is a one-time gain if you will of \$3.5 million in capital improvement. In my discussion is basically enough to service all of the projects that you have been talking about earlier before this road thing came up still leaving us with sufficient balance in capital improvement for the future. We would like to see about a million dollars in capital improvement and initially we have talked about 1 million in reserve. This was a couple of years ago when Earl was still here as borough manager, he and I sat down and looked at what we want to have as a fund balance in reserve and capital improvement. And we said that we thought about a million in each would handle contingencies if something came up, massive in one year. We can't take another \$3.5 million for example out of operating fund in 2019.

(MP) it's not there

(ET) do we have to take it all at one shot?

(KB) why wouldn't we?

(ET) I'm just questioning

(EG) as far as, normally our contributions and cash transfers to capital improvement are mid-year and end of year. At the present time I don't see any advantage to spread it out. Because we are looking right now if you will at some long term investment other than what we currently have in our accounts with F&M. And they are working with us for example; if we had an entire 3.5 million in capital improvement we could get the interest income in there.

(SB) that is my question, is there an economic benefit to doing it this year verses next year?

(EG) 2018 vs. 2019?

(SB) yes

(EG) the only reason I would like to do it this year is that if and when we have to raise rates and somebody looks and says, well you have a \$4 million dollar fund balance in your water operating fund. Why would you have to raise rates but if we get rid of the \$3.5 million well then we would have an operating fund with a reasonable balance of half a million dollars.

(KB) I don't see any reason why we should have that kind of money in the fund balance; it should be in our capital.

(MP) yes it should be dedicated to projects

(KB) that is the entire point

(EG) it should be dedicated to capital improvement

(SB) I think the past few years we have been doing that, transferring a significant amount and we have been stagnant at 3.3 for the past couple of years and transferring above and beyond the 3.3.

(MP) Peggy has a document that was initially generated back by our former foreman, and it is an entire look at our system and if you were to take half of those projects, you could easily spend somewhere in the range of 20 million dollars.

(KB) I remember the price tag attached to all the projects that should be done was astronomical

(MP) so having money just sitting without a label on it, as to a project that it is dedicated to doesn't make good fiscal sense, right? We have dollars and they need to be applied to a project, the project must be seen to and it must happen. That is why people pay the price they pay for water so we can maintain the system. When Ed

suggested that, I just thought it was prudent and sensible management. I don't look at it as we charge too much, I am looking at it as we aren't doing anything with the money, and it needs to be dedicated to projects. So Ed, that leaves us in good shape if we take this action as it is described right now.

(EG) yes what you need to do, is to reprioritize your capital improvements but the money that was in the original capital improvement budget was not jeopardizing any operations or anything, just don't ask me or the rest of us to come up with another 3.5 million next year. But basically what that money is, that people have been paying in their water bills for capital improvements and we have done some.

(SB) part of it has to do with the size of our wells; we get our water cheaper than most of the other water systems in the area or even in the state. So our source well, the cost of providing the water is cheaper in the Shippensburg System.

(KB) I don't think there is anybody in this room that thinks that our rate payers overpay. Let's be honest none of us are going to overpay for it. I don't think that we would have any problem in layman's terms explaining to somebody why we have 3.5 million dollars.

(E1) when we do this transfer of 3.5 million what does that bring the balance of the capital fund to?

(EG) the balance will be probably about 5

(SB) and what is our debt level? At approx. 8 million

(KB) what is our debt attached to?

(SB) the Roxbury line?

(EG) not so much the Roxbury Line, but Timber Hill and projects like that we did with money that we were going to borrow for the Roxbury line. The Roxbury line came in much less than actually budgeted for. Timber hill was a big one

(SB) so the portion of Timber Hill that Schreiber didn't pay for, is part of the debt

(EG) yes, we basically took all the money out of the loan, that was set aside for us and used it elsewhere because if we didn't spend it, because it was a construction type loan mortgage where you have three years to spend it and if you didn't they took what was unspent. So what we did is we took it all and used it or Timber Hill and things like that.

(SB) that is another factor of why we have extra money laying around, because we created debt that we really didn't need to create for a couple projects. We needed the debt for the Roxbury Project we didn't need the debt for the other projects.

(MP) let's do two things, any further discussion on the budget, so then we can make a motion and then a second and have more discussions about the budget and see if we can get a vote on it.

(KB) I will make a motion to approve

(ET) second

(KB) slow down Angelo, I will make a motion to approve the budget for, I noticed this and I don't know why I just noticed it again, 2016. Make a motion to approve the Shippensburg Borough Water Authority Fund Budget for 2018, in the proposed amount 3 million 158 thousand 8 hundred dollars

(SB) you have a contingency in the amount of, the water reserve replacement which is 1045 so the total expenses 3,158,800.00 that is total expenses and revenue. On page 7

(FM) this is just for advertisement

(MP) it has moved by Ms. Burrows and seconded by Mr. Tsbiras is there any further discussion of the motion?

(SB) the advertised will reflect the transfer of the 3.3?

(KB) we haven't talked about that that is a separate issue, he was just giving us his report.

(MP) lets vote, motion carries unanimously

(EG) let me interject if you are realigning your priorities there, it will be no issue

(SB) right the numbers won't actually change

(EG) we just take it and as like we did this current year, we had the budget amendment to take it out of this account and put it into that account. We don't have to worry anything about re-advertising.

(MP) so how about the transfer?

(ET) I make a motion that upon the earliest convenience of our treasurer that we transfer 3.5 million dollars from our water fund to our capital improvement fund.

(SB) second

(MP) moved by Mr. Tsambras and seconded by Mr. Brenize, any further discussion? Let's vote. Motion carries unanimously. Thank you Treasurer Goodhart for your time and your expertise. So this brings up the hanging question from Mr. Myers in his report, about what we want to do out there with the Lurgan Pumping Station land. So our bid is \$12,000 and they have upped it to \$15,000. And if we pay \$15,000 we don't have to take their land by eminent domain.

(ET) Forest, remind me what it would cost us to do the eminent domain?

(FM) Maybe \$9,000 until you get done, they are entitled to \$4,000 right off the top, the law says that if we exercise the right of eminent domain, they are entitled to reimbursement up to \$4,000 for attorneys, engineers, etc. So that is \$4,000 and then the cost of the land itself, so the next thing we would have to do is hire an appraiser to have an appraisal done on the land. The last one of those we did was approximately \$3,500 and that was for a larger tract of land. I would expect this would be around \$1,500 to have that done. So you are at \$5,500 and then the cost of the land and my fee is probably \$2,500 at the most. So you are up to \$8,000 just in fees and then pay them for whatever the land is worth. You know a thousand dollars or so.

(SB) maybe we should just sit on it.

(FM) well my only concern with that is, and if you want to sit on it that is fine I will call and tell them. My only thought about it is if you really need that pumping station, it is not going to get any cheaper.

(KB) the pumping station is necessary, it is something that we need to have available to us. My issue is that, literally we somebody that is holding our rate payers hostage and it is just nonsense. It aggravates me, and the responsible thing to do is, is to do what is most financially respectable to our ratepayers. And in this particular case it is not incredibly over paying by a gentleman who is being unreasonable.

(MP) Thank you, but I lost track over the cost though. Because what you are saying is that we don't want to spend our ratepayer's money in a way that we shouldn't. Review the costs again. Right now if we take it eminent domain, what is the cost?

(FM) so you have my fee not to exceed \$2,500 that assumes that they don't go out and hire an attorney and file objections, we end up in court hearings and all that. So basic fees, and then an appraisal my estimate on that is approximately \$1,500 because it is such a small piece of land. There are entitled to be reimbursed by law for attorney fees, engineering fees, surveys if any real estate appraisers assuming they use all of them they are entitled to \$4,000.

(MP) so that is where you get the \$8,000 from

(FM) and then however much the land value is, and farm land in this area is selling anywhere from \$10,000-\$12,000 an acre. And given the fact that this a small piece of land, a quarter of an acre. I would say somewhere between \$3,000 and \$4,000 is what the cost of a fair price.

(MP) I totaled it up and I think my math is right, I got \$11,000

(FM) yes, we talked about \$12,000

(MP) So, \$11,000 and they want \$15,000. Kerri's point about not overpaying is a valid one. But let me through this out there for full discussion. I think many of our rate payers would not like for us to take their property by eminent domain.

(KB) I agree, but my theory is if we are literally offering somebody \$12,000 for something that is worth \$3,000. So it is not like we are offering twice the value or three times the value. We are offering 4 times the value and they are asking for 5 times the value. They are inflating it beyond all comprehension in my opinion. That is my issue, the bottom line is that if we take it by eminent domain they are going to get a couple grand and we are

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trying to get twelve. And all the rest of the money is going to go to fees and to Forest and this guy's attorney and the appraiser. But the bottom line is that, and I agree with Mike eminent domain is something nobody wants to do and definitely something that nobody wants to see us do. I am not disagreeing with any of that. But I also can't fathom me saying to the public, well we didn't think that you wanted to see us take it by eminent domain so that is why we are willing to pay him 5 times the amount of the value. Let us know how you feel the next time you write us a check for your water bill.

(MP) well stated, so let me counter and say this, we are talking about a \$4,000 difference it is not about how much money they put in their pocket, that is secondary to how much rate payer money we have to put out. So if we do eminent domain we are putting out approximately \$11,000 or if we buy it from them then we are pulling out \$15,000. So in terms of the rate payer that is what is coming out of the rate payer's fund, a difference of \$4,000, hey good for them they negotiated and they got more. In my opinion you can't look at what they receive in their hand, it is just based upon what we are having to put out and what it cost us.

(SB) what is the likelihood that once we put something out there that we will want to put something else out there at some point, to make the site a little bit bigger? And then we have to basically figure out then with their kids on purchasing another quarter acre? So what if our counter is if we give you \$15,000 but then we want an acre?

(FM) if you tell me that is the direction that you want to go in, then my advice then would be let's follow the eminent domain.

(KB) I don't think you need to explain to us how difficult he is, I just did some math

(FM) he believes this little corner of his property is the heart of his whole 100 acre farm.

(KB) I don't think that is what he thinks. I think he sees us as being big time government, trying to take something from him. I just did some math and I took by borough bill in half. Granted my water portion of my borough bill is not half. That is 33 quarters that is \$4,000 that is 33 quarters of my bill that is a tremendous amount, essentially we are giving them what one singular rate payer would pay for a water bill for approximately 8 years. That is an exceptional amount of money; we are essentially giving him a free water bill for way more than 8 years. Because I just divided my bill in half and I know that the water cost of my bill is not half of the borough bill. It is an exceptional amount of money for him trying to milk our rate payers out of. It is not my own money, it is to benefit him and the other rate payers and he is trying to extort it. And he is using the eminent domain as part of it. They won't do it by eminent domain because nobody wants to do it.

(FM) I told him, if they don't accept the \$15,000 offer, then our next step is to go to court. There is no more negotiation. His wife said that she would be happy with the \$15,000 and then he said that he would be happy with it. I said to them, I don't think the authority will buy it, but I have to in good conscious go back to them. But I did say that if they don't accept it I am not coming back to you, I am going to court for the authority

(KB) 33 quarters of a no water bill

(SB) to look at this in a different way, when went back and forth with another organization and it wasn't the farmer, it was Matrix and CVRDC and we were at 87 and they came back at 75. And we accepted 75 from them and had we stood our ground we could have gotten more money out of them.

(MP) you never know

(SB) or we could have ended up back in more trouble

(FM) or in court

(KB) the reality of the situation in that Steve, is that the reason why we did bulk, and the reason why we did say this is acceptable was because the grand scheme of things was that it was going to benefit our rate payers as a whole. In this particular situation you are flipping it backwards and saying this is going to benefit our rate payers as a whole so we are paying more for something then we should. In this particular situation we are saying they are not paying in our opinion their fair share.

(SB) and that is true, but we also if we do eminent domain we run the risk of them pulling a Thomas Lindsay, and us racking up bills, you know Walker Rd. When Walker Rd. happened and they get some lawyer that

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comes in and wants to make them the poster child for eminent domain and the next thing you know, is we are paying for your second retirement.

(FM) I have to retire once, first!

(KB) if he were to pull a Thomas Lindsay, there is nothing saying that we can't just say it is not worth it. We are obviously not going to pay for Forest's retirement. So we can always say no it is not acceptable we are just going to drop the matter. Do I think this gentleman could potentially do it, I think he would call the Public Opinion and the Shippensburg Sentinel and every other newspaper that is going to listen to him. But the fact of the matter is that, I can't in very good conscious say that I strongly feel that allowing somebody to hold us hostage because we are here as a rate payer on behalf of the rate payers, it is nonsense. That is exactly what he is doing, not being reasonable. \$12,000 is more than reasonable.

(TP) down the road, if we would not put that pump there could we sell that for a building lot?

(FM) no

(JE) it would never meet the set backs

(FM) it doesn't have the frontage and it doesn't have the setbacks

(MP) so there are two things we can do right here now to break this, I am not sure if we are at a deadlock. I am not sure where everyone's head is. If you want I can go around the room and ask for your opinion or we could put a motion out there. I don't like to see people's get their motions hung up. So would you feel okay about expressing your opinion on this matter? Before we ask for a motion? Troy?

(TP) I wouldn't and I'll start it. I tell you what my first building lot I paid \$10,000 for and that was in 1989 and it was a third of an acre. 100 x 100. The last one I just bought was \$23,000 on Red Oak and it was 105 x 105.

(KB) didn't you overpay for that? Though?

(TP) I did not

(ET) but you could build a building on those lots

(TP) ycs I could

(ET) well you can't do that in this situation

(MP) I want to know your settle vs. court

(TP) yes

(MP) Steve?

(SB) I am still at a third option either we sit and or we go back and offer \$15,000 but the issue is we can't too much into it.

(KB) wait a second, by saying no to the \$15,000 doesn't necessarily mean that we are saying eminent domain tonight, we are just saying no to a \$15,000. Or is it? We are saying no to a \$15,000 and an eminent domain?

(MP) right now I am putting it up as a binary choice,

(SB) so I am saying no to the \$15,000 as the current lot. I am saying yes to \$15,000 and an acre.

(KB) Steve wants another option

(SB) I am saying if we get stuck with it, at least we have a building lot we can sell to someone.

(ET) if I remember correctly, when we first started talking about eminent domain, I kind of hated the idea and you guys kept saying stuff and then I was finally convinced to go to eminent domain. And I actually thought that this issue was already settled and that we were going to do the eminent domain.

(FM) you did in fact authorize me to do it.

(KB) we keep giving them one more chance, we keep saying that we really don't want to do the eminent domain

(ET) I think that it would be in the rate payer's best interest to pay the lower amount, so I would pay for eminent domain, as much as I hate it

(MP) how about you Kerri? Are you eminent domain?

(KB) well, I am not paying the \$15,000

(MP) well I am going to vote that eminent domain.

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(FM) you don't have to make a motion you already passed a resolution to do it.

(JE) would it be a good idea, for Forest to advise them that he is starting come Monday eminent domain

(KB) no, no, no

(MP) are we clear on that? Are we good to go?

(FM) I got my marching orders, I am ready to go

a. Consideration to approve the purchase of VGB Radio Read Package from LB Water (\$25,000)

(MP) I thought this was already in our budget, but you need to get this done sooner.

(PM) that is correct the quote expires Dec 1st, after Dec 1st it will be \$35,000 going into the next year that is why we need to do it now. They have agreed that if we order it by Dec 1st to not invoice us until January. So it would still come out of the 2018 budget.

(MP) what is the action of the board considering this request?

(SB) motion to approve the purchase of VGB Radio Read Package for LB Water

(KB) second

(MP) any further discussion? Motion carries unanimously

b. Consideration to enter into a CACP between the SBA and PA DEP

(KB) I will make a motion to approve for the SBA and PA DEP to enter into a CACP in the amount of \$4,000

(ET) second

(MP) any further discussion?

(SB) I will be opposing this based upon the fact that I don't think it is the legitimate penalty. I don't believe this a legitimate penalty. I don't believe that the action we took was an actual negligent act by the SBA, and that the DEP is once again finding low hanging fruit from a water authority that has revenue.

(JE) I totally agree with that and that was the attitude around the table. And your chairman did a great job of letting them know that.

(KB) I don't necessarily know that we disagree; it is just an unfortunate circumstance that we can't say no.

(FM) I will tell you that Mike asked me to do a little research and reach out to people in this field. And I did reach out to a gentleman who used to be the general council for DEP for years until Governor Wolf was elected. He told me that basically they have a scoring mechanism and that he felt this was probably at the low end. They never actually said how they scored it, right? He indicated that much like our last discussion that the cost to hire someone to take, there is an appeal process it is to the environmental hearing board. To hire somebody to do that would cost more than the fine. And the other aspect of it is if you do that they could go back and say well we cut these people a break, it was \$8,000 and we cut it down to \$4,000 but now we really want \$8,000. So he felt from an economic standpoint that it didn't make any sense not to agree to it, with all due respect.

(SB) no, I understand

(MP) we have a motion and a second, and discussion, so let's vote.

(SB) nay

(MP) we have one No vote. I agree with you Steve in terms of content of what you are saying

c. Possum Hollow Road Project Update

(DH) there is a short paragraph in my engineering report. We talked about this last month, the water line is in, it is substantially complete, and it is in service. Waxcon has a couple little punch list items, they have some close out items to do. The Conservation District did go out and look at the whole thing there is one area off of Olde Scotland Road that the grass did not come in and probably won't this year at this point and we are probably going to have to hold the contractors money until they go out there and re-seed it in the Spring. I am waiting on final close out documents, including a final invoice you will have that next month and we should be done, except for that re-seeding.

(MP) I have a question for you; we have a meeting with CVRDC on Dec 7th, would we have all final numbers in by that time?

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(DH) We know what the final contractors amount is, Rettew will have a few hours here and there to get this closed out. It has been my normal procedure to gather up all the contract documents and provide those to you on a CD so that you have those all on a nice compact form for your final records. That takes a few hours of clerical time and me going over drawings and those types of things. My final amount will be known, by maybe the end of this month.

(PM) and you have costs too that you talked about

(DH) we talked about that earlier today

(FM) about the three property owners and like I said earlier, I am going to contact them personally and ask them if they are going to submit anything.

(MP) so is one of the tasks that you do, to recalculate the special district fee

(DH) that is not part of this project, it would be a separate fee. If you wanted me to do that, we can certainly do that

(SB) the contract requires us to do that

(PM) the agreement

(DH) but it is not part of the Possum Hollow Project per say, but we can certainly do that.

(MP) yes go ahead and do that because that is what they are going to want to see and we need to have that from a solid resource

(DH) I can put in some allowances to give an idea until we have the actual final number.

d. Well # 4 Project Update

(DH) we are still waiting on Fish and Boat to make a decision on the habitat assessment, on the spade foot load. No update there, other than we plan to go forward with the drilling. Peggy and John are working getting quotes to get the road and the pad improvements that was something you decided that you wanted to do yourself to save money.

(FM) I do need some guidance in your budget discussions you talked about you are still intending to go forward with this and if you have success, then buy the land and everything. You are not going to develop.

(KB) you weren't at the workshop meeting last week, but we talked about this more in detail, whenever we got a more in depth opinion of where the water treatment plant was as far as the condition of some other things. So that ultimately Well 4 is necessary but not as necessary as we feared eight months ago. So I think whenever we talked last week we kind of all were in agreement at Well 4 would be one of those things that we would look at to see if it was a viable option and then maybe kind of set it off to the side until somebody came along to help share in the costs.

(FM) I just wanted to know, so I don't get back to the Allemans

(SB) when we find out what the water amount is and if it makes sense for us to have that as a project for somebody else to build, or in ten years down the road for us to build then we will purchase the property.

(KB) There were some issues about wanting to know how long we had with the permits. Like how long the permits permitted us to be able to sit on something. That was information that was going to be looked into and gotten back to us, so at this point it is all pending on that. So if we are told we only have two before we have to do something then we may have to reconsider that.

(FM) okay I just wanted clarification on that

(JE) I do have a question for Dennis, I'm sorry Forest, are you done?

(FM) well the only thing I have is the easement, I think you do need to get that and I don't think it will cost you money from the standpoint that New Enterprise Stone and Lime is going to want \$50,000 for this easement.

(KB) Is that something that can be involved in the conversations that we go back to them about the Well 2 and Well 4 heads?

(PM) I can do that

(FM) it needs to be addressed with them whoever does it

(PM) would that be you Forest, would you be preparing the easement?

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(FM) first off, we need to identify the easement

(PM) I understand that

(FM) by a surveyor, then I would prepare the easement and do that. We just need to make sure we have that in place that may be a cost that you need to pay up front, even if it turns out that you get a dry hole. Just because you really need to have that nailed down in light of the fact that there are planning on selling the property. And we need to have the easement before they transfer and they probably need to make sure that whenever buys it is aware of the easement.

(JE) the access easement into the site across their property, would it be logical that it would be the route that we are taking to get in to do the testing.

(DH) it could, but I was going to suggest that we even try to be less intrusive on their property. I think we can even bring a road along the lot line, in for a good bit the quarry property. We are using the route that we are going now just to minimize the cost to do it.

(FM) the original discussions that we had when we were out there, were that we would follow some kind of rough roads that are there, but then there was a discussion that we would maybe not use that same route to get a pipe line out to Sandbank Rd. Maybe it makes sense.

(DH) and the route of the pipe and the route of the road, may not in fact be the same. We don't necessarily have to be coincident necessarily but they might be.

(FM) My only suggestion there is if we should try and get one easement that serves both needs, rather than getting a road in now and then one whenever we want to run a pipe line, go back and say by the way we need another easement through here.

(DH) assuming that the road is reasonably coincident with the route that we want to take the water line we can certainly put both on the same easement. If we decide that the pipe needs to go 180 from the way that the road is going well then we have to talk about it

(FM) I just want to make sure that we are not getting boxed out of that, you never know who is going to buy it. It is unusual, I am surprised to hear what you said, in my discussions with Greg, and I know they closed down Sandbank Rd. But when we were going through this he indicated that they were just taking a breather from it or something like that. It wasn't that they were actually abandoning it in a sense that they were selling it. And in the same way with the McDonald Well 2 tract, at the time that he and I talked, they were still operating that.

(PM) I was very surprised when he called me

(MP) okay so you will add that to your list when you talk to them?

(PM) yes

(JE) one more thing, for Dennis, we now have the scope and we have the map and we talked about laying out the pad when the time comes. But as of now, I can't go in and do this order. I can't go send a contractor in to get this road prepared. Because your testing hasn't been confirmed, is that correct?

(KB) yes that is correct, we can't do it until we get that approval. We are just trying to get the pricing.

(JE) so I have no idea when to tell them when this is going to happen.

(DH) that is correct, we are hoping early December. That is the hope.

(JE) and we would hope to get in there shortly after?

(DH) yes

(JE) So you want to get this done ASAP.

(DH) theoretically we can give them a notice to proceed the day that we get the permit.

(FM) the only caution I would advise Dennis, is we can't just go in there and start building a road; we need to have it laid out. Somebody is going to have to go in there and have it surveyed.

(JE) well it is the existing road.

(DH) all it is, is filling in some potholes in the road.

(PM) it is just the access route for drilling

(JE) we need to do some clearing because obviously it is grown over.

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(FM) I need some advance notice to tell the Allemans

(JE) so that is my next question, before I send a crew in there to start cutting stuff, I think we should let the owner know

(DH) I wasn't trying to prelude that at all, I was just saying that we would have the regulatory right to do that since we had the permit. I agree we should talk to people and let them know that we are allowed to do this now.

(JE) So we will contact local excavators and arrange an onsite meeting with these guys and give them this information.

e. Fluoride Update

(KB) Steve sent out an email, it was basically the cons to my pros that I released a couple months ago for the fluoride update. I think maybe we should look at releasing that, in the next quarterly bill or in two quarters?

(SB) I would say the next quarterly bill

(KB) that would be January, I want to go back to the fluoride thing. I noticed in Peggy's report, I just want to clarify. I know that you did miss a meeting, the last meeting.

(SB) We need to move forward with all safety initiatives just to make sure we provide it safety

(PM) correct, the have that, what is on hold is the analyzers

(KB) also, we were on the phone with you but we had some discussion toward the end of the meeting that we all felt very strongly that we needed to address the safety issues not only for the guys but also for the public health safety because even if we do as an authority to remove the fluoride from the water. It would be a very long process that is not going to happen in the mean time we want to make sure that it is as safe as possible for the guys. But also one of the big concerns that we have is the transportation between the treatment plant and the wells.

(PM) Mark's truck was budgeted for a new lifting system

(JE) for 2018 so as far as the safety of getting it off and on the vehicle

(KB) I am concerned, and I want to make sure that you understand, that we all are very concerned about the guys and safety and making sure that they are okay. One of the big concerns that we have is, not that long ago, we had an incident where our water truck was l-boned by no fault of their own, in down town Shippensburg. If there had been a tank of fluoride on the truck, it would have been catastrophic because the tool box in the back was bent. If you remember we saw pictures, the axle was...

(JE) it bent the frame

(KB) right, if there had been caustic materials in the back of that truck being transported from point A to point B, and that had happened under no fault that the borough employee would have done. I can almost guarantee you that it would have been a catastrophic hazards spill and I think we need to figure out something. Whether we have to pay more to have fluoride delivered, whether we have to build a shed on the edge of the well, what do we have to do so that these guys are not transported it for their own safety and the safety of the public, from point A to point B.

(PM) We have fluoride rooms at the Wells, or areas for storage at the Wells, so that is okay. I think once we have this issue resolved with the tailgate, or the lift mechanism, we will be okay there. I have talked to Mark and I have talked to Rick. Mark's truck is the only one because of the lift mechanism on the truck that transports it. He has the biggest truck of any of them. So I will verify, and I did talk to them about safety equipment, I have been assured that we have safety equipment at all sites.

(KB) and they are using it?

(SB) and securing onto the back of the truck, do we have a standard operating procedure?

(PM) we will then, better than what we have now

(JE) unless the truck flips over or is hit, there is no way that the containers can flip over or out of the vehicle. Because the sides of the vehicle and Mark confirmed this, are high enough that it would not allow the containers to flip to roll out.

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(KB) I think that while we are exploring this, I don't think any of us expected this to be a quick process. I think we just want to make sure that our guys are safe, which I know. I feel much more confident, and I know our guys are safe because you wouldn't let them not be, if that makes any sense. I do have a serious concern about it being transported.

(FM) when they transport this, do they put on hazardous placards?

(PM) no, they limit how many they take so that they do not have to do that. Well if they did that then they would have to have hazmat endorsement on their licenses.

(ET) do these guys take safety equipment with them on the truck?

(PM) I would have to look into that, we did talk about making sure each truck was equipped with safety equipment. Which means Mark is the only vehicle that hauls it, and is the only one that is physically set up to do it, so I will make sure that his truck does have it. If not, then we will get that. But in regards to fluoride, we continue to have a problem with the vendor that we have not picking up the returns. They do not want the barrels shipped back, so we have about 30 barrels right now, empties with a small amount of residual that is problematic. When this happen a few months ago, we threatened to cancel the contract and they sent the truck out. The problem is that the supplier we are using right now, through our chemical bid system contracts out the transportation. In other words, the folks that used to use Univar and Coyne Chemical have their own trucks. So they may have 50 drums on it and they are taking 30 to Chambersburg and 20 to Shippensburg and they put the returns on and bring them back to the plant. These folks call Ward Trucking and say, okay go ahead and pick this up and take it to Shippensburg, so it is a 3rd party vendor who is not getting paid to back haul the empties.

(SB) so when does our bid go for this?

(JE) next year, we have one more year yet.

(KB) 2018 or 2017?

(JE) you have to bid out at the end of 2018 for 2019, we have one full year of our contract yet. So we need to include it in the bid that they will guarantee to take

(KB) so it is not included in our current contract?

(PM) it has never been an issue

(JE) I can't say either way Karri at this point, but

(KB) don't we have the contract? Don't we have the bid?

(JE) yes

(PM) I think we should try and explore our options. I think we should threaten again to change vendors. I think that failure to take the returns may be a grey area, but I think we should try and play that card.

(JE) If they are not a responsible bidder we can refuse them to bid next time.

(KB) here is the thing; we need to make sure that it is expressly written in either the bid or the contract that follows stating that the returns are guaranteed. If it is not then it is a grey area.

(SB) can we, even though it is the same product, it would be a different parameter, such as we are asking for the delivery of fluoride to four separate locations with removal of the empties.

(PM) we could rebid it

(SB) would that be a way to be able to bid it and then say we are breaking the bid with the other company, we have decided as an authority that we want to transport it directly to the four facilities and that is not what your contract states.

(PM) the bottom line is that these folks don't want the containers back, period. It is Shannon Chemical and what they are doing is buying it from another supplier and slapping their labels on it. So they have no use for the drums, they don't want to take them back.

(MP) check the original bid if you can find it, check it and see what it says, if it gives you leverage then use it. If not then just start to threaten them.

(PM) I also thought of saying that we are going to ship them out and deduct it from the cost of delivery

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