

Shippensburg Borough Authority

Agenda

October 11, 2016

7:00 p.m.

Roll Call: _____ Michael Pimental, Chairman
_____ Steve Brenize, Vice-Chairman
_____ Troy Pomeroy, Member
_____ Kerri Burrows, Member
_____ Evaggelos Tsambiras, Member
_____ Forest Myers, Esq.
_____ Dennis Hammaker, P.E.
_____ Peggy Miller, Rettew Eng.

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Next Meeting
November 8, 2016

Shippensburg Borough Authority Minutes

October 11, 2016

7:00 pm

Present:

Michael Pimental (MP) Steve Brenize (SB) Troy Pomeroy (TP) Kerri Burrow (KB)

Evangelos Tsambiras (ET) Dennis Hammaker (DH) John Epley (JE) Peggy Miller (PM)

Absent:

Mark Ryder (MR)

1. Public Comment: none

2. Consideration to approve meeting minutes of September 13, 2016

(SB) motion to approve

(TP) Second

(MP) moved by Mr. Brenize, seconded by Mr. Pomeroy, any discussions, additions or corrections to the minutes? Being none, let's vote, all those in favor consent with an "aye" *unison ayes are heard, opposed? "No" *Silence

Motion carries unanimously

3. Consideration to approve special meeting minutes of September 22, 2016

(TP) motion to approve

(SB) second

(MP) moved by Mr. Pomeroy, seconded by Mr. Brenize, any discussions, additions or corrections to the minutes of September 22nd? Being none, let's vote, all those in favor consent with an "aye" *unison ayes are heard, opposed? "No" *Silence

Motion carries unanimously

4. Reports:

a. Engineer:

(DH)1. General: 051872000 A. We continue to provide minor assistance to John and Peggy on Filter Plant Performance Issues, nothing major to report there. B. Well 2 we are waiting for DEP to approve temporary liquid hypochlorite disinfection due to some equipment issues there. C. we are finishing up an application for a waiver for Dioxin and PCB testing that is waiting on some input from some field surveys out there and in the area of the wells. I think Peggy and the guys are working on that we will get that in as soon as possible.

(PM) Thursday, we are doing those Thursday.

(DH) I will have another paper for you to sign when that gets done, I believe. D. we have reviewed a master meter for the trailer park at Southern Cumberland. I returned some comments to the engineer, I have not heard back from them yet on that issue. We are waiting on their responses. 2.

Well # 2: 051872034 A. We are waiting on DEP for the construction permit that has not been issued yet and I haven't heard anything back from them, it should be ready to go, they told us that it was all but complete. They just needed the flood management permit that has been issued, so we are just waiting for them. 3. Possum Hollow Road Water Main: 051872035 This is an item later on the agenda, so I will just pass over this item for now, unless you have a different preference Michael.

(MP) perfect thank you

(DH) 4. Well # 4: 051872036 A. We had a meeting earlier today to talk about issues there, what is your preference?

(MP) We will talk about this later.

(DH) 5. UBP Matrix Development Lot 6: 051872044 There were a few minor changes made to the drawings, and those drawings are now good. We are waiting on an updated cost estimate, which I understand the developers engineer is now working on. We still need to resolve the issue of the fire flow for Matrix 6. As you recall they requested 2500 gallons a minute, we still cannot provide that until the new line is put in. That was an item that was discussed, the discussions with Business Park and Matrix. That is an issue we are going to have to resolve. I think Forest and I talked about that and how we would handle that. My approval letter is somehow going to have to step around that issue, because right now we can't provide what they ask, if not ever rescinded that request. We will get that worked out. The big issue right now is the cost estimate to allow Forest to do the developers agreement. That is true of not only Lot 6 but it is also true of Matrix 1D, all those items are still required. 6. UBP Phase 3 Water Line: 051872048, drawings and cost estimate have been approved and I did forward an approval letter for that development. So that is as far as we are concerned are ready to go. 7. NPDES Permit: for the plant was submitted back in June we are still waiting for them to respond to that, it is our understanding that they are overwhelmed and understaffed, and we may not hear about that until next year, and you will continue to operate on the current permit. 8. DEP Permit-Chlorination Point Change at Treatment Plant A. in response to the FPPE, that application will go in here in the next day or two; I think we are about ready to get that in. 9. Gandy Manor- Is also an item later in the agenda, A. I will tell you that we did get revised drawings in and a drawing approval was issued on Sept 29th. B. We still need an updated cost estimate so I am not sure where that stands. Sooner or later they will have to provide easements but otherwise I think we are good on that, from an engineering standpoint. 10. Dollar General- A. B. the drawings and the cost estimate was approved and from an engineering standpoint that is also ready to go. And that is everything in my report, any questions?

(SB) Do we need to discuss the Lot 6 and the question about the, we are working on a developers agreement to be able to provide that fire protection.

(DH) Yes and I can state in my approval that right now we can provide this much and in accordance with the developers agreement that the \$2500 will be available at the completion of the Possum Hollow Extension which we anticipate to be such and such day.

(SB) And will that allow them to proceed through the avenues that they need to with township supervisors permission and stuff like that.

(DH) Honestly, I don't know. That is going to be up to them to make that decision. It is either that or they could officially come back and request less water, as to what we can provide and that would deal with that problem. I can certainly talk to Scott.

(SB) I just want to make sure we just signed a contract with these folks and to proceed and be able to build this line. So I want to make sure we are doing our due diligence to make sure that we are not slowing down the progress any more than we need to.

(DH) Absolutely, I will work it out with the engineer.

(MP) Any other questions for Dennis?

b. Solicitor:

(FM) Actually I have a couple of things but most of the things that I was going to talk about are on the agenda. One item that is not on the agenda is the of course we have a lease that is with Mr. Paul Witter for the 40 acres, which is now less because of the fact that the electric company took some of our acreage and also the solar site. But in any event that lease is expiring at the end of this year. I have a new lease that has been prepared. I think John has it and I think we should adopt it at the next meeting. You have that lease right?

(JE) I will check

(FM) I gave it to you earlier at our meeting

(JE) Today?

(FM) yes

(JE) Then it is right here.

(FM) we have it and we will circulate that for the next meeting but basically it would be the same lease as before, he has agreed to pay \$60 an acre although, he did indicate to me that if we reduce the acreage, he may be willing pay as much as \$80 an acre. For those who haven't been around, that price was predicated on the fact the lease gives the authority, in this case the sewer authority, the sewer aspect of the authority access to that site as needed. Even if he has crops on the fields, they can go in and spread the bio solids, sludge on those fields if we need to.

(SB) do we still do so?

(FM) to the best of my knowledge, we have not been doing that, but we have the option and it may become more important as I understand it, and I am not involved in on the sewer side of the authority's work, but from what I understand there is less and less farmers that are willing to accept the sludge. Simply because there are so many DEP regulations that they have to comply with in addition with to what the borough does on the sewer side.

(SB) and your suggestion is for the authority just to resign the new lease and since we have a farmer that is willing to pay us a little bit for the use of land.

(FM) And he is willing to increase it based on the fact, he would increase it and you would get the same amount of money, but he lost 4 acres with the power line, plus however many acres he lost with the solar panels. But he is willing to increase it to \$80 a year. You can talk about it at the next meeting and we have until the 1st of the year to renew it. You may or may not want to do a public, you know ask for other people that is certainly within your purview if you would like to do that. He has done a good job but that is not say that somebody else wouldn't and wouldn't be willing to pay more.

(TP) is that a yearly lease?

(FM) No it is for 5 years, just for the history, the tract of land was bought by his father, probably 25 to 30 years ago, from Pauline Bard and it started out being 66 acres. And then he sold it to his son and then in the meantime, the borough put the leaf recycling site on there and they built the sludge building and then they put the solar panels site on. Then they also have the police firing range on this piece of property so it has been shrunken down and it is now about 36 acres that he can actually farm. Given the solar site and the retention basin because at one time he actually farmed where that retention basin is down along the road going back to the sludge building. And then of course the power line is going across it. We can talk about that, we can give you copies for the next meeting. Otherwise we wrapped up the agreement with the rotary for the little building down there and I have two items to talk about in executive session.

(MP) Very good, any questions for Mr. Myers? Being none, thank you for your report.

c. Water Dept. Administrator

(PM) You have my report in front of you. I will try and hit the highlights and give you any updates. We have completed all the requirements for the NOV's and public notifications and the certifications. So I am happy to say that is complete. We had another issue with EPA for submitting data and that has been addressed. We are looking as you discussed at the last meeting, how do we avoid these pitfalls? So I am putting together an outlook calendar and John is probably tired of getting all the notifications that he gets on a daily basis by now. That addresses monitoring requirements when they are due and also the submittals, and what can happen there is a variety of ways to play with that but that is out there and we are using that. Actually item 1 E those meters were calibrated today. We have one meter that needs to have some maintenance work done. I am continuing to develop and look and tract unaccounted for water that is very important for us to do. I

have met with your fire chief and we looked at some areas where there is concern about hydrants. And spoke briefly with John about that and we will be discussing more about that in the future. You may have also seen that even though we are in a drought condition, we are in a drought watch that we have done some fire hydrant flushing. And this has been done in response with issues with water quality, taste, odor et cetera. It is primarily in the northern sector and it is being done site specific to address those issues. Regarding the filter plant performance evaluation, we continue to work on that, there are some items we are getting quotes for that will be incorporated into the 2017 budget. To be looking for replacement, I am working on the list of SOP's and we will be talking about developing those with the operators. Your next round of LT2 cryptosporidium sampling was started last week, I believe, so that is underway. That received approval last week. As I mentioned DEP as of Oct 5th last Wednesday they reissued and maintained the drought watch condition. Their report actually said even though we have had several days of rain, streams have risen, but they are not back to where they need to be. And they actually said that within the last 30 days since their Sept meeting, that ground water levels have declined. So they do not anticipate taking any action before November in regards to the drought watch. Other items are program and administrative issues. The next item I would like to talk about very briefly is Well # 3. And I took a look at this most recently when the drought watch hit and I took a look at your drought contingency plan and there is some concern about Well # 3's production due to marginal recharge. It is not recharging at a level that would be satisfactory to keep it operating at peak performance and in fact the levels that it is at static and operating levels have it in a drought condition. So at this particular time we are resting that Well and we will continue to evaluate it but we do have concerns. And I took an historical look at this and this condition, I didn't look into 2015 records but I have seen this, in January through now for 2016 for Well # 3. I do intend to look at 2015 and see how long the marginal recharge has been going on. But it is a concern at this point, and we want to make sure that Well rests and we are hoping to get adequate recharge. As Dennis said we are working on the renewal for the waiver for Dioxin and PCB's that expires at the end of this year. Mark and I are going out Thursday to meet with the farmers to discuss any changes that they have had in their farming practices. They are not to be changing any application of materials or chemicals that they are putting on. We are just going out to confirm that. We are working on the American Darling Fire Hydrant recall and have developed a preliminary list of 54 hydrants that may be affected and that list is probably going to expand. Developments, I think we will hit those later and some of them we have already talked about and the Possum Hollow Road, I think that is coming up at a later point in time. That is all that I have, unless anybody has any questions.

(MP) I have a couple questions if I may? HAA5, Where are we at with HAA5?

(PM) We are collecting our next round this week.

(MP) When will the collection that collection be reported to the state?

(PM) Every time we collect these they are automatically reported, the laboratory does that automatically. We do not report that, so that will probably take a week for us to get the results back. And they will be posted automatically by the laboratory to the DEP website. All analysis, are posted electronically on DEP's website by a third party lab when we, anything that we do ourselves we post electronically on the website. If it is sent to a contract laboratory DEP requires them directly to report it. So we are not reporting the HAA5's the laboratory is.

(MP) I see

(PM) the other thing that I forgot to put on here, is you had asked me last month for an assessment of the Gunter Valley Water Treatment Plant. I had said that perhaps the better thing is the whole water system especially in regards to Well 3. That is in process and I am about 75% complete with

that. And I hope to complete that and email it out to the board members so that you will have it well in advance of the November meeting.

(MP) how about the outlook calendar, give us a little background, tell us what this is, what sort of things are being sent and who are they being sent to?

(PM) Alright, the outlook calendar is basically it is a capture of all your sampling requirements and reporting requirements for DEP. DEP publishes sometimes they do it annually, every year they give you what they call their sampling calendar for Shippensburg Borough Authority. And that will have things such as daily chlorine residuals and it has it for each one of your entry points. So it has it at the water treatment plant, entry point 104, or entry point 105, all of them have these requirements. So I have taken this. And it will also have a due date, when it is due. And that is the area that has been an issue in the past, things have not been properly reported or they have been reported late or they haven't been reported. So on the outlook calendar, I have on there some of them if they are every single day, and there is a notification for every single day of the entry points and what needs to be collected, if it is a chlorine residual. Things such as your bacteria samples you collect a group once a week, I am sorry I mean once a month. You have twenty samples that need to be collected once a month. I arbitrarily pick the middle of the month, arbitrarily to pick that if it has got to be collected as opposed to the first, but what I do, is tie a 7 day. Normally you get an advanced notice, oh that something is happening in 15 minutes, and I tie that 7 days ahead of time, so a notice goes out one week before you are going to collect those samples. They are due the 10th of the following month. So I have the 10th as a drop dead date for October, I have November 10th as a drop dead date for reporting. I tie a 7 day notification to that a head of time so November 3rd you get an email that says your reporting of these results for October are due November 3rd. So as I said there are a ton of notifications coming up to the point of where it will probably drive you crazy. Because you are probably getting 15 to 20 a day, as I added you to the list. When these reports are submitted by our staff, not the contract laboratory and email comes back from DEPs website they have a green port website that accepts certain types of testing. They have a dweller website, drinking water, environmental laboratory reporting dweller. That accepts other types of analysis once you log in there and upload this information, the website kicks back a, we have received this information. So I can then take those emails and tie them on to the due dates. So if you click on a due date you will see it, and once it is reported I can attach an email that says this was done. It seems like an awful lot of administrative work, and hopefully at some point in time we cannot go through this exercise, but I think you all were concerned. How do we make sure this doesn't happen again? I can add any of you to the notifications, who would like to get them?

(MP) I was going to ask first, so John what do you do with this information when it comes to you?

(JE) It is just a notification to me, really we set it up. I know that it is occurring for redundancy. So at this point I am not doing anything with it as that I know that Peggy is dealing with it. At some time when Peggy is...

(PM) this is brand new, it has been up for about two weeks, if even that, so I think that John and I can probably work through how do we best manage all this. Because you get pelted all day long with these emails, have you collected the sample? By the way this report is going to be due in about a week. And it is overkill at this point, but I do not believe in overkill due to what you have just gone through.

(MP) Some new habits need to be established, that is what this will do.

(PM) Is there a better way to manage all this data, probably at some point in time, right now to me this a very simple way of doing it, is in outlook calendar.

(SB) sounds like the proper way to do it to, at this point moving forward nobody can say I didn't know. Unless they didn't check their email nobody can say I didn't know it was due.

(KB) We have outlook at my work and I know the whole inundated thing trust me. And you can turn off notifications for certain things, and at some point you can turn off the notifications for the daily things and just attached the responding email to that without a notification going out. And that is going to cut your notifications back, probably what 85% probably.

(MP) So maybe what would be helpful and not too cumbersome or difficult is as these reports are done on time, if at the end of a monthly cycle. So at our next meeting, if all the reports have been done on time. Since this meeting and the next meeting if there could be a report to that effect.

(PM) sure, I can put a summary in

(MP) We perhaps don't need to see all of them, but perhaps if you just give a summary, look these were the requirements that we had to do this month, the dailies were done, all these things have been done, so we as ultimate oversight have people reporting to us that they have done their oversight properly so that you have told us, John has told us that all the levels of management have in fact seen to it that this has been done.

(PM) I can do that

(MP) that is a great improvement, I think that is going to go a long way to be sure things don't slip through the cracks.

(PM) it is a bit of data overload right now, but I think to begin with maybe we need that. And that can be managed better going forward but I think this is the way to start and I think that John and I can start to work through how to better do this so he is not getting inundated with all these. I will have a summary for you next month

(MP) terrific

(JE) On top of that Michael, the bigger water user that we talked about. That has been or is being added to our outlook to remind us to check the EDUs as we talked about. Is Schreiber using this amount, is the Chiller Plant so as a reminder that will remind us to check on that and see where we are and if there are issues obviously we can take action.

(MP) Sure as Matrix develops their project as well, make sure they are within the bounds of EDUs that they paid for.

(JE) So I talked to Peggy about that as soon as you and I discussed that, she said that wouldn't be any issue.

(MP) Adding that in as another outlook item

(PM) correct

(MP) Terrific then that way we don't have to rely on our frail memories for these items as time goes by.

(PM) As long as the network doesn't crash then we are good to go.

(MP) any other questions for Peggy concerning her report

(KB) I have a question, some of your questions; you actually have some of my questions answered. As far as the HAA5 readings, you said that they are reported automatically to DEP. Are we still using three labs?

(PM) We have cut back to two labs and I think we are going to make a decision to cut that back even further.

(KB) So both of those labs are reporting the readings to DEP and whenever we were using the third lab, because there was a huge discrepancy as I recall that odd lab was also reporting to DEP. And what does DEP do, do they take the high number? Do they average them?

(PM) That is a very good question and what they would look at would be if they were all taken the same day. And I do not believe we are splitting samples at this point. They would report it for a particular day. So they are comparing for example, if Lab A took a sample yesterday and Lab B

took a sample today and Lab C takes a sample tomorrow, those are three different sets of results independent as opposed to averaging those three. There are three data points.

(KB) I don't recall but it seems to me that we were splitting them, that we were taking a sample from each source the same day for each of the labs, if I recall.

(PM) I will check on that

(MP) I thought they were

(SB) I think they were staggered

(PM) splitting it three ways?

(KB) I think one, there was one, and we had three points that we were testing and two of the points were tested the same day and then there was another point that was never tested the same day as the other two. But the samples that were pulled from each of the three testing sites were pulled the same day. So Lytle Road was pulled, three samples were pulled this day.

(PM) So let me confirm that, I don't believe that we are doing that now. I think right now we are only using one laboratory.

(KB) and then my other question is, and you have to understand that when it comes to water systems, I am not nearly as versed as some of the other members, because I have not been here as long. Tell me how concerned we are about Well # 3.

(PM) I am quite concerned about Well # 3. Because what I am seeing is, that this just did not happen as a result of July and August. I am seeing historically from January, I am seeing this. And what I am seeing is that when it operates and let me take a step back and we have looked at the pattern of how they have been operating it. It was being operated 4 days out of 7 in a week. And when I noticed this in regards to the drought contingency plan another well was operated 3 days on 4 days off. We switched those two operations and that did not help it when we saw that happen we cut back to two days that did not help it and when we went back to one day that did not help it. So I have a lot of things going on in my mind, number 1 how long has this been truly going on? I know that it has been going on all of 2016, has it been going on, I mean I can tell you that it didn't change from Dec 31st and just start happening January 1st. I want to take a look at operating records to see, was it going on, how far in 2015 because 2015 if I recall was a pretty decent precipitation year. We certainly weren't in a drought and I want to look at patterns of operation, pattern of static, static levels which means when it is not operating and how quickly the draw down occurs. Because what is happening right now is when they turned that Well on even and they are trying to run it one day a week, just to keep it fresh, keep it moving, keep it circulating. They will turn that well on and in two hours it has dropped down until a drought action level. So it is happening very quickly, that is very concerning to me.

(KB) so once again, I am going to go back. I was kind of always under the understanding that one of the issues with our equipment specifically at our Wells, was that it was running 24/7, 12 months a year and that we were only taking them down an hour or two a month for maintenance, whatever, whatever. That is not accurate?

(PM) No, that is not correct. You have two Wells that alternate that they will produce well, that have been producing 7 days a week and one was going 4 and resting 3 days and the other was going 3 days and 4 days resting.

(KB) And that is Well 3 and

(PM) Well 1

(KB) okay, how much of a stress is that putting on Well 1?

(PM) Well that is the other concern, is that if that is being operated more frequently what affect will that have? We want to track that draw down level very carefully.

(KB) So at this point we are running Well 6, six days and Well 3, one day.

(SB) Well 2, we are running Well 2 seven days
(PM) there is no Well 6
(SB) Well 1 six days, and Well 3 one day.
(PM) Well 3 is being run about 1 day a week.
(KB) So Well 2 is running, what does Well 2 alternate with? Or is it just a filler?
(PM) No, Well 2 is running continuously
(SB) Well 2 is our continuous power horse
(KB) Well 1 and Well 3, Well 1 is running six days,
(PM) Well 1 is running more frequently and it is running pretty much six days and you got to remember that your wells will ramp up or slow down according to your tank levels. One of things that I see is at certain times and I don't know if it is the University or whatever it is that you have a lot more draw days of the week and other days of the week your demand is a lot less.
(SB) Well, you got Schreiber, maybe they are using a whole bunch of water to clean out their lines, and they will be taking a lot more water.
(PM) Right so you maybe pumping hard on two or three days of the week, three or four days of the week maybe you are pumping 60% of that amount. And that is based upon the level in your storage tanks. It will feed as the demand comes from those tanks, then they are being refilled. So the Wells will ramp up or ramp back down based upon that.
(KB) But at this point there is no, you haven't been aware of it long enough to know if it is having a negative effect on Well 1
(PM) correct, this has been, we are watching that and actually Mark Ryder and I were watching it. The nice thing about the SCADA system is that it tracks it and you get a graphical depiction of it and we were taking a look at it today, trying to determine what effect it is going to have on and how long it is going to have. So I want to go back to Well 3 for 2015 and take a look at it.
(KB) And if you find that 2015 is bad, then are you going to go back further
(PM) Absolutely
(KB) I suspect that you are going to have to go back further
(PM) I don't know, I have to find that information first, it is there I just have to find it
(TP) There was one that they changed the sensor level in, raised it up.
(KB) Well 3 is also the one that we have been having a pretty steady decrease on the levels for the last. I mean I never paid that close attention to the Well levels until probably six or seven months ago, Well 3 always seem to be down, the levels seem to be down.
(TP) I was thinking that was because of that sensor, maybe, there is something in my memory that they raised it so it would show 5 or 8 feet less.
(SB) I think that might have been an explanation that was given
(TP) Maybe that is the case
(SB) I think Peggy will figure out what is going on.
(KB) What would have been the benefit of not telling us, that Well 3 was having problems?
(SB) I don't know, Peggy is going to figure it and we are going to figure it out by next meeting.
(PM) I am just bringing that to your attention and yes I am concerned, and I am going to back into 2015 and If I need to go to 2014, then I will do that and I will bring that summary of information to you. I won't overload you with that; I will bring a summary for you
(MP) Thank you for your vigilance on Well 3, we do appreciate it
(KB) One other thing, you had stated something about water quality issues
(PM) yes
(KB) What types of complaints have you been having?

(PM) Colored water, particles in water and primarily those two issues, a brown color, a yellow color, they get phone calls or people coming in. And typically what we are seeing is some of them have been close to dead end locations. So that is inherently a problem if you are at a dead end. Other issues have been when they have had a line break or a repair. When they reconnect you get this giant slug of material going down. In the past you have not been flushing hydrants annually or in response to when you have a break and you put it back online to blow off any materials or sediment etc., etc. that has changed. And even though we are in a drought we want to be vigilant and not just do it arbitrarily so we are responding to areas that have complaints and we are looking at areas of dead ends that typically would have a high residence time and be very prone to water quality, taste, odor, condition.

(KB) I know that in my house we have noticed and we are not at the north end of town, we are the west end of town, but I have noticed substantial chlorine odor.

(PM) Yes, that is in response to the requirement to meet your CT and the permit application that Dennis said that is going into DEP in the next day or two will resolve that problem and will allow them to turn the chlorine back.

(KB) Okay, so explain to me what the problem is

(PM) You must meet a one log CT contact time removal, and as crazy as this is going to sound, they cannot meet that right at the filter plant. Because there is not enough contact time or residence time for the chlorine to interact to have appropriate kill. We met with DEP and we said that we would put bottled water for these guys to drink, whatever you want to do. We will put a UV filter on, which seems very logical, we have come up with every kind of idea. Because once you leave the water plant you have a very long transmission line to the tank and the first customer. That is not an issue; you cannot meet it right at the plant. So and that is a violation and you got dinged on that, in an NOV you got dinged on that and your filter plant performance evaluation. So to address that we are doing some physical changes at the treatment plant but in the meantime, in order to meet it we have to crank the chlorine up to meet it right there at the water plant.

(SB) Because the higher amount of chlorine takes less time to saturate it the way it needs to be saturated.

(FM) Does that 48" pipe that we put in when we built that plant work?

(PM) you mean 48"?

(FM) Right there by the roller rink, when they were building the treatment plant, going up to tank up the hill

(PM) From Roxbury? Roxbury tank

(FM) They put a 48' line in there for about 30 feet to get contact time and for chlorine

(PM) that is post water plant too, that is after the water plant

(SB) The problem is just the water at the plant, it is just the guys are in the plant and the water there, and we have spigots there, the water has to be in compliance, even though they can use bottled water.

(KB) It was the main violation that we received from DEP.

(PM) We said, well we will just the water off, well you have toilets and you have sinks, so then we said how about UV light and then that brings ups a whole host of problems with DEP and we didn't want to go that route and so ...

(SB) so the result to resolve that is Kerri has extra chlorinated water

(PM) yes

(KB) very chlorinated, but I have only been noticing it the last 8 or 9 days

(PM) And as the water gets colder, you need a little bit more chlorine to get that CT value, so the colder the water gets, you will notice it

(KB) so it smells like a swimming pool every time I turn on my spigot

(PM) yes until we make these changes

(ET) Wasn't it the chlorine, the high level of chlorine that we were putting in months ago, that caused the HAA5?

(PM) Yes and around and around we go, HAA5's it is a disinfection by product, so disinfection is chlorination, you were pre-chlorinating because of organics and other materials in the reservoir. When you pre chlorinate you allow that to carry through and you create more residence time. HAA5's are created more in your warmer weather with your longer contact times, with things like when you pre-chlorinating due to organic materials in your well water. We are not pre chlorinating anymore, we are adding the potassium permanganate, so we have eliminated that. And we are adding post chlorination, which of course is a concern because you have a long residence time coming down Roxbury Road, which again will lead us to more reasons why we should flush the hydrants as routine maintenance. And that is the part where they are getting the most complaints, that area is where they are getting the most complaints for taste, odor and water quality. So it is flushing in there, so there are always collateral issues if you do, one thing you are going to have 5 different effects. So now we address the 5 different effects and we have created 25 different effects. As I said, around and around it goes, when we make these changes and we change the application point, the chlorine will be turned down. We are no longer pre-chlorinating, if we do pre-chlorinate it is not at this time of the year that we would be doing that. We are doing everything that we can to minimize the precursors, were HAA5's while make Suring that we meet the one CT log removal. There when we do one thing another thing happens, when we do something else this happens, so we are trying as best as we can right now to balance it.

(DH) the biggest difference that is really helping the situation right now is feeding the permanganate at the front of the plant; the thing that causes the HAA5's is the chlorination of carbon. And what the permanganate does is break down the carbon and allow it to be taken out during the treatment process so it is no longer in the water, when we apply the chlorine. So the good news is that the HAA5's are still right now the last one I saw are remaining below 30 even though our post chlorine is much higher than what it had been for a while. So the good news is that things are still okay.

(SB) As long as we keep the other ingredient down, as long as we keep the other organisms down, but if the permanganate isn't working properly then we end up where we were again.

(PM) it is a balancing act, it is a work in progress right now

(JE) One of the complaints that we did get was off a private lateral line, so it really wasn't our responsibility

(PM) the church camp

(JE) At the church camp out there at Roxbury, somebody was feeding off the lateral, but whoever used to run the camp, used to take care of the flushing, but that person is no longer there, so who knows when the last time they flushed their line. So Mark had met with somebody out there

(PM) Yes that is a dead end that dead end leads to the camp so it is a dead end on our end and if the camp is not properly maintaining their line for flushing it is a double whammy there.

(KB) So what is the, so we are flushing the hydrants now, as a result of these complaints that we are getting.

(PM) yes

(KB) What was the, were we getting complaints before and we just didn't know it.

(JE) It is a real possibility, Mark said that since he has been here working with the previous foreman, hydrant flushing had never occurred never during that period, ever.

(SB) I ran into a previous board member who lives out in Orrstown, and he had said that at one time Pleasant Hall Fire Fighters used to come out and flush the line and they haven't been doing that for a while either. So you are flushing all of them?

(PM) yes

(SB) So I think you are right in that aspect, that at some point flushing became not a priority

(PM) It needs to be a priority

(JE) it is an absolute necessity

(SB) it is a necessity for the water quality but it is also, the one benefit the way he described it as beneficial, and then we know if the hydrants work, there is nothing worse than pulling up to a hydrant and then not being able to draw water out of it.

(KB) We ran into those issues when we started the maintenance plan, how many hydrants did we find were broken?

(PM) I don't want to belabor our discussion, but that is one of the things that Randy and I have been talking about. I am in discussions with him.

(ET) One more question, with the flushing which apparently needs to be done, does that put, I mean we are taking water out of the system, so does that mean we are working wells more to replace that water?

(PM) yes, because it is flowing, now what Mark and I have agreed to is, minimal amount of time until the water clears up, some at the dead ends are being flushed more and those in between, I said open them up and crack them and let the water clear up and move on. Don't run them as long as you would one farther down on the line or where the line is going in different directions. To make sure Number 1, we are not taxing the Wells and Number 2 that we are being good stewards of the water, since we are asking everybody else, because we are in a drought watch. We are asking people to conserve. We want to do this but we want to do this conservatively.

(KB) And we can't flush lines when it gets freezing cold out, right? You are not going to be able to flush from probably two more weeks until the middle of February.

(SB) I think as this becomes a part of regular maintenance that it is not going to be quite a big deal on our actual water consumption.

(PM) And then they can do it planned, they can plan to do it and low usage times, when the tanks are full as opposed to in response to a problem and it may not be the best time to do it.

(MP) very good, any other questions?

(SB) I have one more on 4. D, the fire hydrant recall, that list will it be something that we can build a master list with what all our hydrants actually are.

(PM) We have a master list of the hydrants, and that is how we pulled these off of there

(DH) We maintained the GIS database that database has some information on every hydrant and valve in the system, the problem is that it is not complete, it has been built over a period of time and some periods of time there was more information put in. Some hydrants we have data that when it was installed and the model and everything right in the database.

(SB) but we are using whatever information we have to add it to that to make that list closer to 100%

(DH) what I offered to do was to, produce a set of the atlas pages that were color coded, that would show which ones we have information for and which ones we have partial information and which ones we have no information. They can use that as a start to go out and canvas and try to determine which of these hydrants are part of the recall. We can do that in a few hours in the data base and we are still trying to make a decision on doing but that that will help a lot. The goal would be to get all that information in the GIS database so you have that forever for the future.

(MP) very good, any other question, Peggy is a popular lady, thank you Peggy.

d. WWTP Manager

(JE) Basically, you see Lance is keeping up pretty good on the report, the biggest item I can tell you that is going on at this point at the WWTP we met this morning at 10am with the Waste Water Treatment Committee. The biggest issue we are having at this point and we are still trying to figure out what the issues are. The one tank had been completed and they started to fill the tank, and forgive me I don't know what the tank numbers are, it is the one closest to the road, the screens are creating what they are calling blinding, the material that gets past the screen at the head works is jamming these screens tight with hair and grease and everything else that you can imagine that is in the sewage. So what is occurring is these screens are on top of these concrete walls that they built, and then the screens are varying at different heights, what we figure are the last attempt to stop a media overflow out of the plant. But now we have come to find out that these screens are supposed to be somewhat submerged. But not completely submerged, so what is occurring is they fill the tanks and then the screens are blinding creating a dam effect at each of these screens. So what happens is that all the liquid is coming up.

(KB) Isn't this what happened

(JE) yes exactly

(KB) you weren't there but this is what happens

(JE) yes, this was what was mentioned this morning it is a very similar situation, the engineer keeps saying let it run, let it run, and it is going to be fine. But that is easy to say but what we have been through, we know that that is not an easy thing to say and that we are going to sit back and let it happen. They did go through a 24 hour cycle a week or two back. Lance and a few guys stayed at the plant and there is pictures of where the, it didn't completely inundate the screens but it was about two inches from the tops of the screens. Now the screens are below the actual top of the concrete tank, by a foot and a foot and a half, but that is too close for comfort. The engineer keeps telling us, don't worry about it, it is okay, we anticipate the blinding, which lance does not believe. So we met this morning with the group, not with the engineer but the solicitor has been instructed to set up a meeting with the engineer and they have to prove to us that this is going to work.

(KB) and this is Hazen and Sawyer?

(JE) yes this is Hazen and Sawyer, Mark Strihota, so that is a very big concern. Lance is really stressed.

(KB) he was there for the aftermath, of when the plant collapsed, and that was the assumption that the screens blocked, causing the walls to cave in.

(JE) So there is blinding that must be occurring on the screens below the surface, which we can't see during operation obviously, the cylindrical screens they have to be blinding as well, there is no explanation for it. And when they lower the liquid it is pretty bizarre, you can't figure it out, but when you look across all these screens, this side is jammed tight and this side nothing. And then it is the opposite with the next screen this side is open and this side is jammed tight. It is almost like a ricochet effect as you go through the tanks, it is really bizarre.

(SB) Is it almost like a flow issue?

(JE) It looks like it, but by all accounts all the testing there is not flow issue. There is a headworks issue here where the screens, when the raw sewage comes into the plant, the screening that takes place to get this stuff out of the sewage, the holes are so much bigger then even what are now in our tanks. So all this huge material is getting through and blinding on these smaller screens. But the material is getting through into the plant and it is hitting smaller screens than what it actually was made to be filtered through.

(KB) So where is the media entering

(JE) Where the overflows occurred in the testing there is no media in those tanks, so the tanks that are separated where the media is, there is still a substantial amount of head before it would reach the top of the screen. But where the media is not, is where the one screen and for some reason it is much smaller than the other ones, I don't understand it myself, it is the last line of defense.

(KB) why is there still grease and hair

(JE) because it is getting through the headworks portion of the plant, our screens are not small enough at the head of the plant to catch this material and when as it is going into the system, floating around the tanks is all blinding on these screens and causing a jamming effect. And if the liquid can't go through the screens it has got no choice but to come up.

(MP) You have got your waste water treatment plant manager, understands what is going on and you have seen it yourself, you got the engineers that have been communicated with and you got your attorney on this. So somewhere in here has to be a solution

(JE) There will be no media leaving that plant, I assure you of that, and no raw sewage. It is annoying that we have gotten this far and yet; it is like 2 steps forward, 3 steps back.

(SB) Are we still dealing with the original contractor?

(KB) Contractor yes, just a different engineer

(JE) There are issues and they are being looked at, and we will not let it get to the point where it will become dangerous

(KB) It is not a construction issue; it is an engineering issue, a design flaw

(JE) everything else is standard, I & I program, and the new video camera system is being put to good use.

(KB) did the borough end up buying them or are we renting them?

(JE) Yes, we own it

(MP) any other questions for John for Waste Water Treatment Manager

e. Secretary

(JE) I don't have anything that Peggy didn't already cover or Dennis didn't cover. I have nothing to add.

5. Business items:

a. Southern Cumberland Water Association Project Report

(DAN) Dan Hershey, Hershey Engineering

(DB) David Bush, Keystone Alliance Consulting. I am working with Dan on the financial aspects of the evaluation.

(DAN) I have an electronic copy of the report pulled up on the screen. Just want to hit the big highlights for the conclusions and recommendations then open it up to any questions for discussion items. What we found that the existing facilities in the SCWA are in fair to good condition. There are no major deficiencies within the system. The water lines are undersized, undersized by 4" s, however this is adequate to provide domestic water service. The SCWA is giving the assets to the SBA at no cost and we have estimated the asset value between \$163,000, that is based on an income base evaluation and \$386,000 that is on an asset based evaluation. If the SCWA system is acquired by the authority, the system could be hydraulically operated as part of the system or as a separate system. So we looked at the two separate options, one would be basically opening the valve between the two systems. There is a pressure reducing valve and it would be more like a main extension of your system and take that existing Well out of service. The other option would be to operate it as a separate system, keep their well there, the authority would take over operation of it and that would remain an emergency inter connect. When we looked at both of those options they are both economically viable. I am personally leaning towards keeping the Well in service. Because you have a water source there that can supply that system for what we projected the next 20 years and meet their needs. Otherwise if you open up the inter connector you would be using about 163 EDUs of available capacity in the system. In conclusion we believe it is feasible for the SBA to acquire the SCWA although the system offers limited growth potential it doesn't burden the current SBA rate payers if a separate rate district is established. With the potential that the SBA can be required to take over the system

if it becomes distressed in the future, would be prudent to acquire the system now, while the assets still retain value and finances are stable. Due to economies of scale the SBA should be able to operate the SCWA system more cost effectively. That was our conclusions; recommendations at this point as if the board decides to move forward would be discussions with Forest as far as legal agreements, negotiation and talking to the SCWA about the intent to acquire the system, meetings with DEP and things along the lines. I want to turn it over to Forest if he would like to talk a little bit about the next steps, if the board decided to go forward with acquiring the system.

(FM) I think the next step if you are interested in continuing on, would be to have these discussions between SBA and SCWA. One of the items that has been discussed in the past and this has been going on since 2015 at least. Is whether or not you would create a separate rate district for that system and those people would pay a different rate than what other customers on the SBA system pay. I believe with respect to that then there would be the legal impediments and keep in mind there is a USDA loan that would have to be dealt with and I have had preliminary discussions with them and they are agreeable to let the SBA assume that loan, but it is about \$300,000 right now, so you would have to deal with that basically by assuming it and continuing it. It is a 40 year loan, so it has quite a while to run and I have that figure somewhere just at my fingertips, maybe Mr. Bush has that. That would have to be dealt with and also you would have the actual transfer of the assets and the dissolution of the SCWA, whether you take the route that Dan has suggested as the preferable route, where by you would just keep it as an independent system or whether you merge it into your system, it will still be a SBA asset and function. So you would get rid of SCWA, I take it from what Dennis's report; the issue for the mobile home park is being dealt with. That was always a stumbling block, because those people were being separately metered but there was an issue of whether or not and the other question with respect to that part of the system is, how many more EDUs are they entitled to get. At one time there was a thought that they could expand that park by another 100 units or so. I don't know if that is still the case they would have to deal with us at the time. They did because of this thought that the authority may take them over, they did enter into an agreement with those folks that own the mobile home park regarding maintenance of it and that is how the master meter came about because one of the things that the authority had said that needed to be told to them was you will take over the system with having separate meters. You wanted that to be metered similarly with what you do with the Shippensburg Mobile Home Park or Mobile Home Estates, which is you have a master meter. They pay for the water and then they deal with the individual units because that could become a nightmare for you. There are some assets that they have, one of the other things that I don't see in here, I do see that Dan lists the assets that they own, which are the tank and the Well site and the treatment building. But we would have to check and see if all their easements for the water lines are in place, I don't know if you checked that or not Dan?

(DAN) We have some documents on those we didn't get the final agreement from Mr. Fink he was trying to track that down, but I do have plans showing those.

(FM) Each one of the customers that is there would have to enter into one of contracts to become a customer of Shippensburg Borough Authority as opposed to what they are now. Right now they are members of the association and that is the other thing, when all this will take place, there will have to be a meeting of the Southern Water Association, and they would have to affirmably vote, because it is an association it is not an LLC or a corporation. All the customers of the SCWA are owners, it is sort of like a mutual insurance policy, they all individually own part of that system, so they would all have to vote, or the majority of them would have to vote to dissolve their corporation and merge that into the SBA. And again when I say merge that is just the legal aspect, that doesn't mean that they would be merging as Dan said you would keep a separate system with a separate rate district, just as it is now, except that it is managed and owned by the SBA.

(MP) I remember we had this question, is there a mechanism in place where the SCWA, that governing body can legally transfer the ownership of that organization to the SBA?

(FM) yes, by a vote of the members. That was one of the reasons that we insisted that they have that meeting about 6 months ago, so they were aware of it and according to the information that the authority was given, they did agree that they would transfer the SCWA to the SBA.

(SB) And they know and we know how that process actually works?

(FM) We do, but I don't know if they do.

(SB) basically they are going to fold their corporation and abandon their assets to us.

(FM) Once they transfer the assets first then they would dissolve the association.

(MP) so would there be any requirement that those folks, must remain connected to the system, because that township they can drill a well.

(FM) Well they have all paid a fee, so the answer to your question is no, no there is no requirement if they wanted to drill a well; they are not going to get a refund. I can't imagine, I mean this is from a practical standpoint, from a legal standpoint I don't think we anyway to keep them customers, simply because you are right, none of the townships in this general area have a mandatory connection. Generally speaking when someone does a development they insist that they connect to a public water supply if it is available. But if you go out into a farmer's field and you build a house, even if the water line runs in front of you, you are not mandated to connect.

(MP) But if we make them a special rate district and some folks decide to come and drill their own wells, what would happen is that the district rate would have to go up, right? So they would be hurting their own neighbors if they were to do that.

(FM) yes, I would say that I would not expect that to happen, I think if you were running a new line and I have had this experience, if you run a new line by somebodies house and they are not mandated to connect they won't connect, even though you offer them the ability to connect without paying the tapping fee.

(SB) yes, because if they already have a well they already have the expense of the well this is a different situation where they are going to have to untap from our system and then drill their own well.

(FM) the answer to your question is yes they could disconnect and drill a well.

(MP) you said that each customer enters into a contract with the SBA

(FM) Yes, we have a contract for when you buy a house you have to sign a one page document and sign agreement to become a customer of the Shippensburg Borough Authority and we would ask each of those people down there to do that because that is the procedure, if you are becoming a new customer you need to sign one of these agreements. The purpose is to let the people know what the rules and regulations are as far as billing etc. and how water gets turned off.

(MP) that document is also the document that states that the water line is your responsibility for repairs

(FM) yes exactly

(MP) this would be another special rate district, number 11 I presume

(FM) this is different than the rate district, this is completely a different rate structure it is not something you tack on to the tapping fee, that is what a special rate district is, this is a true rate district. So if we charge for 5k gallons of water, you have another rate and maybe it is \$50 for 5k gallons of water or something like that. It is completely a different rate structure for the purchase of the water.

(MP) what is the correct legal title

(FM) Rate District as opposed to a special purpose fee, or special rate district

(SB) the way I sort of envision it is the expenses are incurred to operate this sub section of our water system, will be placed in to the expenses and that will dictate the special rate district

(FM) just Rate District, not special rate district

(SB) the rates in that district will be based on the actual expenses incurred to provide water to the people that district. Their radios are going to have to be put on the meter, will be included in that, moving forward we need to upgrade that 4" line to an 8" line it will be put in there.

(FM) I think Dan put in here somewhere put that it would cost somewhere in the range of \$310,000 to \$340,000 that is for short term improvements. You would factor them into the rate that you are going to charge them. That would be things like the radios the SCADA for their tank and all the engineering things and then if you determine you are going to upgrade the lines, that would be another expense.

(SB) I question I would have is, do we, if we know that we are going to put money for the radios in, and on a board we feel we need to upgrade the line in order to be able to provide the water, even though right now it is functioning, maybe we don't need to do that, but if we know we are going to incur over the next couple of years a certain amount of expense to them. Where their rates become ridiculously high, and we need to make sure we have that information before we go to them on what we are going to be looking at charging them.

(DAN) The numbers are in under exhibit 4.1,

(ET) those are the numbers about what they are currently paying

(DAN) no this is an estimate of what the immediate costs would be for them, upgrades that would be required for them to connect to the system. So these are the base acquisition improvements, these are improvements that we are recommending immediately for connection and you can see things like integrate

and GIS, hydraulic model, perform leak detections, install the master meter which we talked about earlier that is for the mobile home park, install the radio reads on the meters, we talked about that, that would get all the meters into the SBA system, perform a tank inspection and cleaning, replace the existing interconnect with a new PRV valve bulb, so that would upgrade that and get that tied into the SCADA system you. Replace the roof and repaint the existing treatment building tank, install a new antenna, a new SCADA panel at the tank, and then we had another line in there for other, staff, legal and engineering acquisition costs, that was a number to plug in there knowing that there is going to be additional costs ongoing to finish it. Those are 2017, so immediate improvements when the connection happens, that we are recommending for the future is the big cost item out there for the system that we see would be to upgrade the 18,000 linear feet of 4" PVC. We used the number of \$125.00 per linear foot to upgrade that to 8" waterline to SBA standards. This isn't something that needs to happen immediately it is one of those long range plans, similarly to what we looked at in Huckleberry, if you recall huckleberry right now has a lot of 3", 4" plastic lines, as those lines fail, you are looking to upgrade.

(SB) it is one of those things to look at if you at some point there is a lot of projected development down there that wants public water and we are going to need to be pushing more water than the system currently as it is maintained right now 4" is going to work for the water needs right now

(DAN) that is a good example or if you find an area that is starting to have a bunch of leaks or problems you might want to look at upgrading that section there.

(KB) So you said there are 127 rate payers,

(DAN) 163

(KB) that makes a difference

(SB) What is their cash right now?

(DAN) I believe it was a \$126,000

(FM) Does that include the \$25,000 they deposited with the authority?

(DAN) What we did was, as of December 31st they had a \$153,000 in the bank, we subtracted out some of that was escrow money for the development some of that was escrow money for the study, we took those out and I called it a modified cash reserves as of July 31st they had \$127,000 roughly in the bank in cash, most of that and the certificate of deposit.

(SB) to add to that the #3 the master meter on the mobile home park line is just for the mobile home park one customer. Because they bill their people separately, when you are running your numbers per customer I don't think it is right to bill the other 162 customers for the \$55,000 that is costing the park.

(DAN) the agreement that they have with the park right now is the SCWA is paying for the master meter that is the agreement they have, because I don't think they were getting anywhere else. The problem they had with their Steve was there was so many leaks in the park, putting that master meter in, if there is a leak, they are now paying for it.

(SB) They haven't put that in yet

(DAN) they have not put that in yet, it is under review right now

(DH) the problem is they want to put in a 6" master meter and if you look at it, and it is coming off of a 4" water main. Well the main to the park is 4" I understand that the line within the park is 6". This is what I was told by the engineer. So the problem is when you put that large of a meter in it is minimum accurate measurement is not that low, so you would have a lot of water that would not be registered at all or would be registered inaccurately and so I have some questions as to what is the water flow and some other things that determine why you really want a 6". I think they are wanting to use an ultrasonic and it just doesn't make a lot of sense in my mind to use that large of a meter for a park that is being fed by a 4" line.

(KB) I am coming up just shy, if we were to drain their assets \$127,000 we are still coming up just shy of \$1100 a rate payer and you split that into quarterly bills, essentially its \$270 a bill for a year per rate payer just to cover the necessary improvements

(DAN) over what period of time is that

(KB) a year

(ET) you are not going to do it over a year

(KB) the reason why I did 4 payments is because those were improvements needed for necessary for 2017

(SB) I think the importance of this conversation is that we need to be upfront with them, whether it makes sense to say; even though you are not tapping we need a tapping fee. Because we need to do this or just tell them know, this is what it is actually going to cost us to get you online and where you need to be and you

need to understand that over the next ten years, you are going to be paying more because we need to do this the day we take you over

(KB) the thing is I mean even if we were to split it over two years, three years their water bills are going to be doubled.

(SB) We need to somehow make sure we communicate properly with them to let them know, they are not getting taken over by us and they are going to pay the same rate they are paying and they are going to be paying a surcharge because we need to fix their system.

(KB) It is a pretty substantial fix, \$300,000 in the scheme of things doesn't seem like a lot of money but when you are dividing it among 163 members that is pretty substantial.

(SB) We can't ask our current rate payers to incur that \$300,000

(DAN) no, and that is why we would set up the rate district for them

(DB) there are countless ways that you can accomplish that goal, there is no problem with you setting up a rate district, there is no problem with making them pay their share of their costs of operating that. Is it going to be a popular move or are they going to look at you and say gee thanks and not really appreciate it, quite possibly there are going to be people who are going to say that they were better off but they got their heads in the sand because it will ultimately not be taken care of and it will become a problem.

(SB) I think that is why we need to fully disclose the situation

(KB) And reasonably also, I mean that area is low income, predominately very low income. This is going to be a huge stressor on them.

(ET) If you go in and tell these people, we will take your system over but we are going to charge you over many years this extra money, they have the right to vote no at this right?

(FM) yes they can

(KB) the problem that we are being told is that either we take it over now or you make the improvements that are necessary or in 5 years, when it fails we are going to have to take it over and you are going to be paying or that is not going to resonate with them.

(SB) What we are trying to do is we are trying to do with what happened to the Orrstown Water System. When it was resolved, there were some issues that they were going to have. They got some money and resolved some of the issues. We are trying to do something similar where we know, that there is a water system beside us that we will eventually be responsible for and we are trying to find a way to get it on board with the least possible effect we can have on the rate. If somewhere down the road they are going to fail.

(KB) sooner than later

(SB) And we are going to take them over

(ET) What is the maximum amount of years that you would stretch this over?

(DAN) I know I was wondering if there was a way, you know we don't need to make this up in two years.

(DB) You would never want to finance any capital item for longer than its useful life. So while there are items on that list that are immediate items, that aren't going to last 20 years on average. On average if they last 20 years you can then stretch it out 20 years. But again they currently have debt that you will be assuming.

(ET) 40 year debt

(DB) it is a 40 year debt, but there isn't 40 years left on it.

(FM) There isn't 40 years left

(KB) I am not even counting that debt

(DB) in truth, you can probably borrow money cheaper than that existing debt. That existing debt is at 4.25%. You can borrow that money and finance the additional \$300,000

(SB) How much is that debt?

(FM) about \$300,000

(KB) that is interesting if we could refinance it, and the interest that we can save could potentially more than likely cover the difference, \$175,000 a year, we could probably make that up in a few years

(DB) there are some other positives in terms of there is a lot of cost that they are incurring that would disappear. If they were a part of this system, your computer is going to blink twice and the bills are going to go out, no matter what rate it is, all that administrative cost disappears. They are paying I think around \$9,000 a year for accounting, the reality is maybe there is an issue a year and there will be some additional costs for your accountant, but it is not going to be \$9,000. There are a whole number of those things that disappear

(SB) we need to be completely forthright with these people we don't want to take over their system and then all of sudden raise rates on them.

(KB) Substantially

(ET) I wouldn't call it a takeover, we are presenting this, you guys would like us to handle your system, and here is your situation

(KB) their system operators need to be honest with them and the gentleman whose name was up there earlier

(FM) Mr. Fink

(KB) the whole thing is he basically wants out of the gig, and there is nobody to step up and take his place. What I am saying is sooner than later this is going to fail and then end up in our lap.

(FM) the last thing that you want is to have what happened with huckleberry land. Basically they came to authority and you were put in a position. They had \$25,000 in the bank, which they told us, Tom Ginnick Tom Nichols told the authority we have \$25,000 and in 6 months we will have no money. What happened in that case, DEP would come in and they would force the SBA as joint customer to take that over.

(ET) I have two questions, the well, how much does it produce right now?

(DAN) about 64k gallons per day, about 40 gallons per minute

(ET) that is the maximum it can produce

(DAN) that is what it is permitted for, right now they are using about 27k

(SB) What about the second well?

(DAN) The second Well, where that's at, they drilled a test well that had a blown yield of I want to say 100 gallons per minute. They purchased the land, they had an engineering drawing and that is all the farther it went. So they had a small tract of land that is in one of the exhibits in the mobile home park. So the Well was drilled but has never been developed or permitted or anything like that.

(MP) there isn't a radius, isn't there a question about the radius around that

(DAN) good point Michael, there was a comment by Mr. Fink he said that he thought it was short by a few feet. We can't tell from what we have right now, there is nothing built there, just the conceptual layout of the park. So it is still grass all the way around it. You wouldn't need to develop that well, I don't think you are going to get much more than the 40 gallons per minute out of it. They looked at it because they needed a second source of water. But if the SBA was to take it over, the second source of water would be the SBA system. So you wouldn't necessarily need to develop that Well. When we looked at it, that Well can serve their area for the next 20 years.

(SB) It could but that second Well that's in the Zullinger formation?

(DAN) I am not sure Steve

(SB) The map I have that is what it looks like, which is in a good producing area.

(DAN) I have the hydro geologic report

(SB) I have it right here

(DAN) no I am saying from when Mr. Fink started the original engineers report from when they drilled the test well and I think they were going for 40 gallons per minute. This is 81, this is the mobile home park, so the blue lines are the existing part of it, and this access road is just to get to the well back there.

(MP) Any questions for Dan concerning the SWCA? So I think it is well said, we have a nice thorough report. I think within your report is everything we need to know in order to make a decision as to whether to go forward or not and how to go forward. But I think there still needs to be a little more brain power put behind this, I am going to ask the board, would you want to come together for a special meeting just to discuss this SCWA and about what we do and how we do it? Because look at the time already folks, we are already at 8:30 right, these subject matters in my opinion require a lot of Borough discussion and a full understanding before we make decisions that affect all these folks that are counting on us, these folks at SWCA, they are counting on us to help them out. And of course we have rate payers that are counting on not to burden them with trying to help another party. My suggestion would be that we do schedule a special meeting to deal with this and perhaps one other issue, two big issues. Sort of a working meeting so we can come to some conclusions on how we go forward on the subject matter, does that make sense to everybody? At the end of the meeting let's make the date, we will pull our calendars out and make a date.

(VC) Vic Casera with DGK and we are just looking to have the bond that fell in between the cracks, I just contacted recently by the bonding company to get that back.

e. Consideration of a Request by DGK Properties, LP to Return Performance Bond #1022266 Issued for Deerfield Phase I Water Tapping Fees

(FM) these are the bonds that were put in place for the original Deerfield project in Southampton Cumberland Count And they have met their requirements we do have the easements and they are recorded and we do have the dedication of the lines, so it would be in order to release these two bonds. There are two different bonds because o of the bonds was for the apartment buildings and one of them was for the townhouse type part of the development.

(VC) The apartments had an EDU bond for those and the actual water system that was installed in the apartments is private, there is master meter there. And then the single family portion, all of that has been built and dedicated and t was 2014, so it is beyond of any issue of post construction.

f. Consideration of a Request by DGK Properties, LP to Return Performance Bond #1022186 Issued for Deerfield Phase I Water Improvements

(MP) What is the wish of the SBA concerning the request by DGK Properties LP to return the performance bond #1022266 and #1022186?

(ET) motion to return both deposits of those bonds #1022266 and #1022186 to DGK Property LP

(TP) second

(MP) Any further discussion? Being none, let's vote, all those in favor consent with an "aye" *unison ayes are heard, opposed? "No" *Silence Motion carries unanimously

(MP) Dan if we can get back to you, so the SCWA, there was a conversation once about a potential grant available to help us with the SCWA.

(DAN) Correct, I think we talked about this a month or two ago, in fact last meeting it came up about going there for Lurgan Pump Station, but I believe that the SCWA would also be a very good project to go after that grant money. Remember I think it is PA Water and Sewer small projects fund through the Commonwealth Financing authority. Projects between \$30,000 and \$500,000, so the SCWA is \$338,000 would be a good fit for that financing. This is also a project that is helping to fill a public need, you have a system with some low income housing that may need leadership, and the SBA is stepping in to acquire that system.

(SB) And the grant would facilitate us being able to do that in a cost effective way.

(DAN) Yes, you want to help this system but you don't want to burden your existing customers, that is what this funding is there for.

(FM) john and I have talked about this and we will continue that and look into that.

(DAN) The deadline is October 31, you are down to three weeks and in fact if you are going to do it, you need to pass a resolution, there is an official approved resolution that they have, and it is a fill in the blank. That you are actually going to go after the grant funding. I think one of the first things, and I don't know if this has happened yet, but it would be to sit down with somebody from Senator Alloways office and talk to them and see if these projects. I say these projects, SWCA or the Lurgan Pump Station would get support and you might be able to walk out of there and know if it is just not going to be worth the time and investment to go after these. Or you could walk out and say yes, I'll lend my support to one or both of these projects.

(KB) I don't think Rich goes that far, that way, its Keller isn't it?

(FM) Mark Keller

(SB) Keller is State Representative and Rich is a Senator

(FM) I don't think it is Alloway

(SB) maybe it is Vance down there

(FM) we can find that out and talk to them

(KB) But three weeks,

(FM) It is just a resolution; I don't think you have to have the grant in place

(KB) No the application has to be in by the 31st of Oct

(FM) We can do that

(MP) you think you have time, do you and John, think you can accomplish that?

(ET) we need to approve a resolution

(SB) We have to approve a resolution that we don't have in front of us

(DAN) There is quite a bit of work that goes into this,

(KB) not to mention we are going to apply for a grant for a water system that we have not acquired, and have not even voted on.

(SB) there is just too many ifs, I understand we are trying to get as much money as we possibly can but I think there are just too many problems with this one

(KB) I think the Lurgan Pump Station is much more doable, number 1. We actually own it, it is actually tangible

(FM) No we don't own it yet

(KB) we don't own this?

(FM) Oh that is a PRV

(SB) Unless, John Do you know something I don't know, did Rich call up and say hey if you get something in we will get you some money out of this?

(JE) no, nothing like that, we heard about this grant but, you still have to write it

(DH) one thing we have been told is this grant is, the things that make it more attractive to them is shovel ready, line extensions above other things, and economic development, those are the things that were high on their priority lists

(KB) but we don't and we can't own the SCWA by Oct 31st, we will not take ownership of it before then. It is an impossibility

(DAN) One of the items listed specifically in the program, was acquisition of other systems, I think it is a good fit.

(ET) Can I ask you something?

(KB) because I have seen government entities go half assed into grant application previously and things get missed and it is super frustrating that we are under this deadline and I mean if Forest and John think that this is something that can be done.

(FM) We can certainly look into it

(ET) But we would have to have a special meeting

(KB) well we are going to have to have a special meeting anyway, so that is really not the issue. But I am wondering if it makes more sense for us to focus on the grant application on something that we, on this, on the pump station.

(SB) Which is a line extension; it is basically increasing the functionality of that line.

(KB) When we originally talked about the grant, yes, the SCWA was a possibility but I don't think that any of us realized that the grant was the end of October. Where this is something in front of us, lets listen to what Dan is suggesting here and see if this is more doable, more feasible for us to be able to manage and get a grant application in for, then something that we are having a special meeting to discuss if it is something we want to move forward to but yet we are talking about passing a resolution to apply for a grant at that same meeting. I don't know it just seems...

(SB) I will throw one thing out here, when we did acquire the Orrstown System the Orrstown Water Association actually that came into our system because there was money that they applied for in order to be able to put us on it. And that is what helped them to be able to be brought into our system and it not cost them or cost us.

(KB) There are other grants out there that are a possibility I just don't think that time is going to permit us to be able to do this correctly.

(FM) But there are other grants too

(ET) that is what I was going to question, is something that the SWCA could they apply for it and they apply for the Lurgan

(KB) Well then we are competing against each other

(ET) I was going to ask is it a possibility that they would give the money to different entities.

(DAN) You can apply for two; it doesn't say that any authority is limited to one application, and even if you applied for SCWA...

(KB) Have you ever applied for a grant? Seriously, let me just tell you, grant applications are incredibly administratively cumbersome, and a lot of times, there are grant application fees. They put these safeguards in place so that people don't apply for grants all willy-nilly like, and they are incredibly cumbersome to apply for.

(SB) That is specifically why we used the enterprise zone loan for one of the fire department loans because they were going to get a grant for from the state but it was going to cost the borough \$17,000 to get the grant from the state, so we were like why don't we give them money we have sitting in the bank account somewhere.

(KB) There have been grants that the borough has actually contracted private grant writers with to write to get the grants because it is incredibly cumbersome and labor some to apply for a grant. So we need to keep that in that back of our mind, it is free money but it is not free money. We are still putting a lot of labor behind this grant application a lot of time is going to be put into it by people who are sitting around this table, that aren't the 5 members that are appointed so, Forest is going to have to put a lot of time in, and Dan is going to have to put a lot of time in. Very potentially Dennis, we may have to pull Rettew in and all of them are on the payroll.

(ET) Except John is already on the payroll and he is not going to make any more out of this. But Forest, Rettew and Dan will.

(KB) and that is on top of any application fee that we have to pay. I am just putting a little bit of a reality check as far as grant applications go, they are not fun, they are not easy. They are incredibly cumbersome and I just know for us to say, okay we have three weeks to apply for a grant and we have to pass a resolution to get all of these ducks in a row. John is probably over there going yeah sure! I don't need to sleep for the next 3 weeks!

(FM) Why don't if you let John and I look into it, seriously and you may have a point and it maybe frivolous to even try to put something together between now and the end of the month. If that is the case then we will let you know, if not then.

(SB) Actually Alloway is, it is South Hampton Cumberland isn't it?

(DAN) Steve, I really thought it was Alloway

(SB) I think it is Alloway the whole Shippensburg School District is in with Alloway

(DAN) Kerri is absolutely right there is a lot of time and effort getting that first meeting.

(MP) Give it a look and let us know.

b. Lurgan Booster Pump Station Project Report

(DAN) The HOP was approved, and if you remember we were looking at two different spots for the access drive. One we moved further down we were sure we would get approved, and the other one was borderline but it would decrease the amount of land that you would need to purchase from Mr. Keller. Penn Dot has approved the shorter access drive, so you are looking at roughly .2 acres in size for the land, there is a sketch. So Forest, I wasn't sure if you got a chance to talk to Mr. Keller about this.

(FM) Yes, I did. I met with Mr. Keller numerous times, I met with him yesterday, he likes the idea that the driveway can be moved further west on Roxbury Road which means he would have to give up less land. And I would need to have Dan or the surveyor to go out there and put pins or stakes where the corners would be because his comment to me every time I meet with his is I can't read these plans, so he wants to see it in the field. If you can get somebody to do that, let me know and I will meet him out there when the surveyor is out there, if that is the case, he is willing to work with us, we haven't talked price on this piece of land which is .2 acre, I think the next step that I will do is contact a realtor, not an appraiser and get a ball park figure for .2 of acre piece of land. My guess would be somewhere in the neighborhood of \$2500 to \$5000 at the most.

(SB) So are we looking at pretty much acquiring the whole triangle so he doesn't have that dead piece behind or does he still want that?

(FM) Well he farms this, so, he is happy by moving it to where we have it and here is a copy, by moving it there it gives him more space between his property line and if he ever wants to develop that field or if he ever would

want to build a house there, he would have enough frontage on the road there to build a house. By moving it it does create some issues for us that we will have to deal with with the township because of the setbacks and some of the other things that the township requires we will have to file a subdivision plan and probably ask for some variances for the setbacks and so forth.

(JE) do they have zoning?

(FM) Lurgan Township, yes

(MP) Dan what else do you want us to know here?

(DAN) That is something that we will need to move on as part of the grant application, to have not your land approvals, but at least your submission permits started.

(FM) I expect to meet with Mr. Keller next week

(KB) That is Lurgan Township you said

(FM) yes

(FM) get him on board and get him a price, and once he is onboard Dan get do the subdivision and we can submit that to the township and move forward on it.

(DAN) Then the follow up from our last meeting in the packet this was information I went over with John and we talked about it. We won't be able to reuse the existing SCADA panel from the existing PRV and move it into the building so I looked at ways that we can offset that cost increase of roughly \$45,000 and so there is a lot of detail here on how I came up with my numbers. But in short it was going back to the original concept we would use, we would reduce the building size and eliminate those PRV stubs that I added in when we thought we could reuse the SCADA panel and also use a pump skid. By making those adjustments to the project we can stay on the construction budget. The conversation that came up, will it be worthwhile moving the PRV what it would cost to move the PRV into the building that is what a lot of this detail here is also, what I am estimating at increasing the project budget by \$100,000 and what that would do, is move the PRV out of the vault, put it into the building, it would increase the building size and you would get a station that is basically like Well 1. It increases operator safety because they don't have to go into the vault and it is also easier to maintain that way, so it is a more robust station.

(PM) Was it originally designed that way?

(DAN) The design that we have right now shows it as the PRV to be relocated in the future. But we added that in because we thought we had a \$45,000 cost saving on the SCADA panel. So right now the design is to have the PRV stub, the PRV line stubbed right now.

(PM) so the original was to stub it but not relocate it.

(DAN) yes, so there is an in between there is a \$45,000 increase, bring the stubs in, increase the building size but leave the PRV in the vault and then move it in the future, when the life of the PRV or basically when the PRV needs to be replaced. Or relocate it now move it in, and abandon that vault and then the station is done.

(PM) I discussed this Mark because and he apologizes he wanted to be here tonight, but he could not be here. Mark is in favor of moving the PRVs totally inside, but at no less than stubbing them in, he would prefer to have them moved inside the building if you want to confirm that with him tomorrow.

(JE) I can confirm that, because I talked to him this morning

(SB) Again, which out of those four options, which of the four of those accomplishes that?

(DAN) There should be three options, Option 1 is we go with the design stay on the construction budget, we shrink the building down leave the PRV in the vault and that's will it will stay for the whole time and stay on construction budget. Option 2 increase the building size put the PRV stubs in the building and then in the future you would relocate the PRV that is a budget increase of \$45,000. Option 3 move the PRV now, abandoned the existing vault that is a budget increase of \$100,000.

(KB) I think this is regardless, Lurgan township meets the third Monday of every month at 7pm, so Monday the 17th.

(DAN) There is some cost savings if you do it all now, because we do have to do some upgrades into the existing vault so that is what is detailed in the subtract cost to use existing

(KB) and we had talked about that, how much money we would be saving vs. waiting and subbing them out and waiting to move them inside and we had some safety concerns and you took pictures of the water.

(DAN) Yes, if you like I can talk through those, or if they are not self-explanatory. This is the PRV vault itself, that white pole with the panel is the SCADA panel we are talking about. That is the existing panel that we thought we were going to relocate into the building. So the hatch is open the pressure reducing valve is inside of that concrete vault. So if you flip the page this is looking down in that open hatch. So on this side on the left is water coming from Lurgan that flows through that first blue thing there that is a meter. The next one is they are just control valves that 4" line on the upper edge of the page is where the flow basically flows through now, there is a throttled valve on that line, if you look down at the bottom one there that is throttled. And then the big blue valve there is the pressure reducing valve. You can see that there is some standing water in the pit. And that is primarily because there is a sump, not a pump and there is no electric to the vault. We would run electric to the vault and put a sump pump in so it will stay dry. If you flip the page that is just the other end coming out so the other improvement Kerri would be this throttled valve would be replaced with a solenoid valve that would open and close when the pump energizes. So the operator right now, if you see on the second page there, and if you see right there in the sunlight that is the top of the ladder the operator has to climb roughly six feet below ground to get to that vault and it is a compliance base so there is obviously issues with that. I mean this is a standard engineering design, don't get me wrong but if you get the opportunity to move it from below ground into a building that is there I think it is a much better design. But obviously there is a significant cost increase to do.

(MP) So you need a decision from us tonight, in order to know how to proceed, correct?

(DAN) yes, right now we are on hold because everything is done, as Peggy asked, the design was done with the stubs into the building that was all complete before we found out that we can't reuse the panel. So that is why I brought it up to the board and we put a stop and we are just waiting for a decision on which way to go and then we will make plans and submit.

(SB) so the increase for the option that Mark is arguing for,

(KB) the field built

(SB) the field built is that the optimum?

(DAN) correct

(MP) So once this building is built and is in use, one of our objections in building this is that it provides safety to the customers that are served by the treatment plant. Right now those customers are served by gravity into this low point right where this building is going to be built, into a low point. So we can reverse the flow and pump the water back up to the tank so that customers that are served off of that tank will have water in the event that the fresh water treatment plant had to actually, literally shut down.

(DAN) correct

(MP) so in some emergency situation where something really goes wrong and for at least some period of time we cannot use that plant we have the ability to provide water to those customers for an extended amount of time.

(DAN) correct

(MP) So in that case would this PRV need manipulation would it have to be something that would have to be watched and monitored routinely in that situation?

(DAN) it will be connected to the SCADA system, it should be set up to operate without someone looking at it. You know if this is something that is only going to operate in an emergency situation things that are not in constant operation do need to keep more of an eye on them once they come into service. You know what I am saying, these valves are designed to operate but if it just sits there stagnant for two months and then all of a sudden if it is called into service it is good to have eyes on it and make sure it is operating correctly.

(MP) so in the ground, in the vault in the ground, how frequently does someone need to go down in there and do something?

(DAN) Peggy do you have any idea as to how often they are checking the PRVs right now?

(PM) I tell you the day of the last meeting they were called out to the, they had an alarm condition at one of them and they were called out. It was not this particular one but they do get call outs on them when there is a malfunction or when something isn't going correctly. It is my opinion that you typically get an alarm under the worst conditions, I mean it never happens on a beautiful fall sunny day when it is 65 degrees out and no rain and there are plenty of people working. It happens at January when you have had 20" inches of snow and it is 18 degrees out and it is Sunday morning at 3 am.

(SB) Christmas Eve and its 3 degrees outside!

(MP) so talk to me about more practicality, so we build this building and we got this PRV and let's say the water treatment plant is not in operation. So this pump in this pump station is being used all the time to service that tank out there. How frequently is the PRV going to be adjusted or looked at? How frequently is the danger to our work folks going to be encountered?

(DAN) it is really a maintenance question as far as to how often, when the PRV is set up to run, it is really just a periodic look at it, I don't know they could even go monthly to look at it.

(PM) yes, unless you have a malfunction, like we did last month and then you got to have hands on there, you got to have somebody up there and the day that happened, I think Rick was the one that went out and I think Wayne was on vacation and I think Mark was doing something else, but we had to grab one of the other guys because you want two people to go down in there. You don't want to have someone do it all by themselves.

(KB) Unless it is at 3am on Christmas Eve

(PM) Then you better call somebody else because you want two of you to go down then, for safety considerations. I would not want to be doing that alone.

(KB) My personal opinion is, I don't care if it is once every 5 years if we know it is a dangerous situation, I don't know why we would put our employees in that when we have another option.

(DAN) When it is in the building, I assume they might visit the station once a day or at least once a week at least to check on it. When they walk in the PRV is right there, they can look at it check the pressures there is manual gauges. One good thing with the SBA system is everything is tied into the SCADA so they continually see the readings on the pressures on the upstream and downstream side you get alarms when things go wrong. So there is monitoring that goes on by the SCADA which doesn't require a person to go down and look at it on a frequent basis. The problem stated very eloquently the emergencies happen late at night and when it snows.

(MP) Troy what are your thoughts on this, what are you think you are the guy that knows this more intimately than anybody else, what is your thinking?

(SB) how do you feel about climbing down into there?

(TP) you know what, if it was Christmas morning I would probably do it, I would climb down in there and I wouldn't take anyone and I would take, if it was going in and something personal for me, I would take the chance that it wouldn't fail Christmas morning, but that is just me, what is it \$100,000 for something that we may go in for once a month?

(KB) it is a \$100,000 lets evaluate what a \$100,000 dollars is, to us personally vs. this water system.

(TP) to the rate payers

(KB) to the rate payers

(TP) it is personal

(KB) it is the rate payers but it is benefiting the rate payers, significantly if we have a catastrophic failure at the water plant which could happen tomorrow, let's be honest.

(MP) John you are the foreman so to speak you are the ultimate manager of these workers what your assessment of the risk to them vs. the \$100,000?

(JE) There are pros and cons on both sides. I mean we are going through the effort to build a building okay that could possibly take the entire place of the entire water system that we are running now, which we all know is a pain in the keister, to invest a little bit more to take the two different facilities to consolidate into one to make it safer and easier. I know that I am not a rate payer here so I don't want to act like it doesn't matter to me for the money, because it does but if you are going to do it, let's just do it now. Build the building put the PRV inside upgrade the SCADA and it's done and you got 25 years of life plus or minus. I don't think any of us are still going to be here at that point. I just think I know it is a lot of money and it is not easy for the SBA to say let's spend a \$100,000 on something we weren't really expecting, but now we have the opportunity to consolidate it and make it safer and make it easier to use for the long term.

(KB) we are doing it right instead of piece mail.

(SB) I guess the thing that is we have what 7500 rate payers? Is that a close number?

(JE) well we sent out 6000 letters to the entire water system

(SB) so you are looking at 6000 about \$15 to \$16 a rate payer

(MP) so SBA is there a desire to take an action and what will that be?

(KB) I think we have to take an action tonight if we want to have any shot of having this be part of the grant application because we would have to contact Lurgan Township to be put on their agenda for Monday.

(ET) I make a motion that we go ahead and spend the \$100,000 to move that stuff that is underground

(MP) PRV vault

(ET) the PRV valve and the new SCADA system into the new building the new pumping station.

(KB) Dan the total cost for the, I just want to make sure that I am looking at your numbers correctly, on this you have the skidded system which is for all of them, correct? No matter which one we pick that is going to be part of it.

(DAN) for the \$100,000 it is not a pump skidded system it is a system like you have over at Well 1.

(KB) We are specifically looking at the field built, so we have individual components of \$80,000 and contractor labor of \$40,000 for a total cost of \$120,000. This is the PRV stubs that we have to do regardless; this is moving the relocation to the building this is the one we are looking at.

(DAN) the field built that is a comparison some of that is already within the budget I was just trying to come with a relative comparison between those two different systems.

(KB) so this is the one we are looking at?

(DAN) this is the cost for the PRV relocation to the building so that would be, excuse me, this is the cost of the skidded system \$90,000 to \$100,000 this is the cost of the field built \$104,000 to \$120,000

(KB) Okay, Dan tell me which ones to circle that if we want to do everything? Tell me which cost numbers I need to circle or star or whatever.

(DAN) circle this one

(KB) \$104,000

(DAN) I think why I am hesitating Kerri is because some of this is in the budget and it is just a comparison number. So what I was looking at was savings, additional cost of that in the PRV in the station. This is the number you want to circle plus \$45,000.

(KB) And how much did you originally think it was going to cost?

(DAN) the total project, the construction was \$250,000

(ET) So we are going to make it \$350,000

(DAN) right and there is engineering with that

(ET) So how much is it going to be?

(DAN) \$400,000 for design and construction costs, so if you add the \$40,000 plus \$45,000 which is \$85,750 and I used another \$15,000 as contingency.

(KB) okay so there is a \$15,000 contingency

(DAN) that is why that number is not there I am sorry, that is the confusing part. I think I summed it up in the email

(TP) There is no way to incorporate the existing pit into that building?

(DAN) No it will still be below ground

(KB) And see how far back they are moving it

(SB) I will second the super booster pump station

(MP) okay it has been moved and seconded any further discussion? Let's have a vote all those in favor consent with an "aye" any oppose "no"

(TP) no

(MP) got one no, so that is 4 to 1 motion carries

c. Possum Hollow Road Project Status/Update

(MP) I asked to have the Possum Hollow Road Project Status Update put on as an agenda item each month. The reason that I did that is, we concluded an agreement with CVRDC and part of that agreement was one of the lines, you may remember, it says we will make every reasonable effort to see that this project is started and concluded on time. So to make sure that that spot light is properly shown and that we can easily find in the minutes that we do in fact show proper diligence to getting this project done, I thought putting it on the agenda made sense.

(DH) Status right now of the various things that need to get done to allow us to go to construction, Penn Dot permit application for the crossings of I-81 and SR696 have been received. There is a Penn Dot permit application for temporary construction driveway permit on SR696 that cannot be submitted until we have an agreement with the property owner for that piece of property for that. There is an affidavit that needs to be signed that is on a Penn Dot Form and that is something that Forest is working on.

(FM) I can address that that is an item I want to talk to the authority about.

(DH) So there is a sequence of events that have to occur, we have to get that agreement we have to submit the permit and we have to receive the permit to be able to go out and again let me preface that it is always our recommendation to have your permits in hand before you go out to bid. So that the bidding is based upon known conditions, there is nothing unknown there is no potential for delays to the project the kind that can cause you damages by the contract. The one that is not on here there is also we have not submitted the township roadway permit because we need two easements, two agreements for temporary drives, it is either two or three I haven't looked at it for a month or two. To be able to submit that permit because it is part of that submittal package and again Forest is working on those, those are our priority two easements that we need to get so we can get that permit submitted. We have to have that permit agreed to go out to bid. The railroad agreement has been received that is done. We are currently waiting for comments on the erosion and sediment control submittal to the conservation district. They have had that submittal now for almost 4 months and so we are still waiting on that. Once we get comments back those will have to be addressed and then we will wait for their final approval. If you recall Michael we talked about when we were trying to structure the dates for the completion of the water line with the agreement CVRDC that is one of the items that we had a sequence of we were waiting for the permit. It is kind of out of our hands because we are just waiting for them. And then the last item is the need for all the easements, once again Forest is working on and we just need to have those done and signed before we move forward.

(FM) let me give you an update on that, I have had contact with every one of the property owners and I have about half of the easements in hand. I am waiting on two of them that have to get sent back, one is from Wenger Feeds who is sending it back and the other is from the House of Limited Partnership that is the Best Line the actual owner of the land. Item 3 B is an item that you need to address. I have had contact with the owner of that property, there are in general agreement that in response to the owners request, Dennis made some adjustments to the easement which they agreed is in order. They have an attorney, the sticking point is our customary practice as an authority is to when we get an easement because quite honestly we don't pay for these easements, we don't give them a dollar a foot or ten dollars a foot like some municipalities do. Generally speaking and so far all the ones I have gotten we haven't given them anything. But we do say that if you would like to have a water tap we will provide that and not charge you the tapping fee which has always been the policy since I have represented the Borough and it has worked out well. Because number 1 you get customers but number 2 you don't pay for some of these easements, we are getting an easement that is 700 to 800 feet long. If you paid them \$5 a foot you would be paying them \$3500. So that is sort of trade off and half of them don't take them because the deal is if they want to tap on, they tap on when the line is open and they are going through, not waiting 6 months to a year. This gentleman has said he will agree to the easement but

he wants three taps, the back story to that is that a local realtor is working with a restaurant to buy the adult bookstore, the massage parlor and this tract of land to put a restaurant on.

(KB) what restaurant are they going to put in a dry township?

(SB) A Hardees!

(ET) is that what it is?

(FM) I don't know what it is, so anyway his thinking is if I get 3 taps, I can sell this land with these taps, I can get a lot more money. I said that I would take it to the authority, it is an unusual request, but quite honestly I am not in favor of you doing it, I said perhaps they would agree for you to compromise and give you 2 and not 3. I think that 3 are ridiculous because there is no use. In his particular land there is no use for those 3 taps it is just that simple.

(DH) It is not particularly a large easement either

(FM) we never based it on the size of the easement, there is no use for the three EDUs. So the ask is by the owner for 3 EDUs and he will sign the easement. Let me know.

(MP) Do you think he will sign the easement with two?

(FM) I told his attorney that I didn't think you were going to go for 3. I told him that I am not going to recommend three

(SB) If his real estate agent, I don't know what he is thinking 3 EDUs is nothing for a restaurant

(TP) \$7500

(FM) Well it is whatever the value of the easement

(SB) but they will still need more EDUs

(FM) I know that, you know that but that is the request, it is up to the authority. I said this is not going to hold this property up, we will condemn the property and then he gets no EDUs.

(ET) Just go back with the idea of the 1 EDU and we are not going to give you anything for it

(FM) You are not going to give 3 EDUS

(ET) one

(TP) one

(KB) one

(SB) I'm at one

(MP) one

(FM) the only other hang up on the easement question this is one that I have never run into, Peggy and John have been working on this but, the paint can property, we have an easement in their front. I took the easement out and gave it to them; it is a long story, but anyhow long story short. I asked Peggy if she would go out and talk to them. She went out but in the process of going out there they said oh by the way, do you realize your easement is going through our septic drainage field. Well there is no evidence that you can see this on the ground and it turns out their father who owned the property before they got it put 7 feet of fill over the drainage fill. Peggy has been working hard. I have called three engineering companies in Chambersburg who I think, I almost have to believe one of them did the project because if you recall that was the old energy resources oil recycling plant and at that time William Nye was doing construction and so forth. He did the actual construction, I talked to him and he said, there is no way that easement goes out towards the road, when we built that the bathrooms to that office building which is now the paint store are in the back corner and the same septic system that served that building served the industrial. Where they were going to recycle the oil and his recollection and he couldn't remember exactly was that it was to the right of the building in the grassy area. Now it could have been changed.

(PM) We think it is adjacent to where the paint can is, if you are standing

(FM) back away from the road

(JE) no this is, if you went out the back door and fell down that little embankment you would be on top of their septic system according to her. There is a big clean out sticking outside of the building.

(FM) that's the tank isn't it

(PM) that is the tank, this is not a very good drawing

(FM) So anyhow I contacted Mr. Nye I contacted these three engineering firms I am waiting for one or two of them to get back to me. And I contacted the township, I researched it in the courthouse, you know when you do one of these you have to do a land development plan and Mr. Nye said he did a land development plan and it was approved by the township, but it is not recorded.

(KB) Oh good Lord

(FM) because that would have the Well sites, so I thought okay well maybe it is not recorded it fell through the crack so I called Southampton Township, which would have had to approve it. And they said that they did approve it but they looked in their records and they don't have it because at the time that it was done, they had SEO (sewage enforcement)

officer) named Bill Lowe and he had a falling out with the township and he left and took all the records. So Peggy and John have been trying to get this straightened out. It's not like when we dug the whole for the pipe we would be digging through their septic field.

(PM) We don't want to do that

(FM) The problem is that the temporary easement for where the equipment would be potentially operating and so she has contacted Rosenberry's and they have a way to put a rod down but it only goes down 4 feet and they have 7 feet of fill so that was one thing and then she was talking about ground penetrating radar.

(PM) I will tell you that the vendors are very nervous about anything happening to their septic system because there is nowhere else to go.

(FM) the truth of it is, they are in violation

(PM) well I don't know

(FM) Well you are not allowed to fill over a septic field

(PM) exactly you are not able to put 7 feet of fill over a septic system

(FM) they know that I think. But in any event that has presented a real hang up for us.

(SB) so how do we solve our part of it

(MP) What is the solve?

(PM) Forest was trying to find a guy, the vendors for a month kept saying that they had a plan here, well it's at the father's house, well it's in a vault, well it's here, and we have been very patient with them because we need their cooperation but we are at a point where we exhausted all possible locations by the vendors as to where this might be. We could in theory do something like a soft dig which is like an air dig into the ground or we can possibly do ground penetrating radar, which comes out and looks like almost an x-ray on the property hoping to find where that pipe is. If we can find the edge of the pipe, we could and hopefully based on the depth of that, the pipe for the drain field may get Rosenberry's out if it is not greater than 40" inches to try and locate the very edges of the drain fill. We have to determine where the edges of the drain fill are and we have to put that into the design of that area for construction for that area.

(KB) don't you think it would sink?

(PM) Not with 7 feet of fill on it

(MP) At whose cost would this ground penetrating radar be deployed?

(PM) our cost the vendors will not pay for

(MP) The vendors understood that they are in violation and that if we go digging around and expose their thing and they are in a world of hurt, maybe they might be more willing to cooperate with us and help find a solution.

(JE) they may predate any regulation for sewage, 537 hasn't been around all that long, my biggest fear is that we won't even find a septic bed, I think you are going to find a trench with a perforated pipe that runs out so far. I have seen them so many times in my career. It could be a tank in the ground with perforated holes.

(PM) the tank is right up against the building

(TP) it is a conventional or a sand mound?

(PM) conventional

(TP) get Chamberlain and Wingert to open the tank up and pump it and then scope it

(PM) Rosenberry's did, that is how I found out about this, I talked to Bill from Rosenberry's and he said I can tell you about that because I had to pump it in May. And he said when he dug it up he said that the top of the lid at that septic tank is 7 feet below grade. And he said there is no way, that you could in theory pump out the tank and try to locate it but he said there is no way he would recommend doing that. With it 7 feet below grade to try and get down in there and put something in, he is saying he will not touch this with a ten foot pole, and he made that adamantly clear to me.

(JE) we have a video camera

(SB) We can't use the Borough's? Can we use the borough's video camera?

(KB) Why can't we do that?

(PM) getting the camera into the pipe

(DH) That is the tough part; it probably has a T arrangement

(PM) well I would hope there would be a baffle

(DH) I would too

(TP) I am going to work for those guys tomorrow, why don't you let me talk to them.

(JE) You are going to work for Benders?

(TP) yes, I have worked in that Paint Can, the Well in there, so let me talk to them and see what I can find out.

(MP) that would be great

(PM) thank you

(DH) one of the things that I will tell you that we need to talk about probably right now is a good time is that the biggest danger here is the minute we go anywhere close to that property that system is not going to work anymore.

(FM) Absolutely, I can tell you that right now

(DH) We need to make a determination that any property that is even close to this construction we need to do testing on Wells, because people will say oh my well is bad now, since you ran your pipe within 100 feet of my well.

(FM) you must be used to Lancaster County, trust me we have never had that issue.

(DH) I am just telling you, I mean in this case, if they have a problem and they can blame it on us and get a new system.

(FM) In Benders case I would agree

(MP) Troy you are going to talk to them, who are you going to report to?

(TP) Peggy, give me your number

(FM) Dennis is absolutely right, if we touch that system, if we have a teaspoon that goes across that property that system will have failed.

(DH) it is going to fail no matter what, we have to test it somehow

(FM) I had a thought, is there any way we can move that thing?

(PM) No, and I will tell you why, because what was on there before, they only have a small section of that property.

(FM) yes, they only have that front corner

(PM) And there have been all kinds of things, there is as you are standing there facing the Paint Can to the right of it there are several concrete pads remember we saw that and then the Well the Well that they supply that building with right there so we can't put the septic system there.

(FM) I mean we can put the line out in the road, come out onto the road the shoulder of the road

(PM) move the easement, well that is a Dennis question

(JE) it is a pretty steep embankment there

(SB) I guess that is the question, if we do anything on their property or disrupting that and we are basically going to have to put another septic system in for them

(KB) I think that is not what Dennis is saying, I think what Dennis is saying is that they are going to say that

(DH) They are going to claim that, and in fact they may have problems right now, all I am saying is test it now and verify that it is working and if they claim it is not working and then you go and test it again and verify that it is still working the same. That way they don't have a claim against us.

(ET) There is no possibility of contaminating the well is there?

(DH) I am talking about a flow test, to see how much the system will take; I mean I am not a septic guy

(SB) that is why we don't let Well get drilled in the Borough because of the Septic Tanks in the Borough

(DH) They don't have a good enough setback for the Well that is a given

(PM) But back then there may have not been the same setbacks that they have now

(MP) So Peggy, Are you looking at the possibility of moving the line someplace else?

(PM) Well pushing it closer to the road? I don't know Dennis. The water line can this, see how it bends this way, can bend it down that way?

(DH) Well there are signs right there,

(PM) And they are worried about the signs

(DH) That is why we are closer to there

(MP) I think two things, 1 I think looking for another way to route this if someone could just spend some time on that a wise thing to do, Peggy would you be the right person to do that

(PM) Dennis would be

(DH) A way to do that would be to remove their sign.

(PM) And then could we put it back when we are done?

(DH) Potentially, there are some costs involved with that

(MP) so that is one solution, reroute the line, that may prevent the whole problem, perhaps study on this think about ground penetrating radar and think about testing their system before we go across there.

(PM) I would say definitely do the testing in the system, even if we push the line a little bit

(DH) what do we need to do now with the vendors?

(PM) they aren't signing off on anything, until they know where the line is going, very specifically in relationship to the septic system that is what they told me

(MP) So if we can locate the line in a way that doesn't come near their septic system that sort of solves all problems

(DH) Except we don't know where the line is, no matter what we do there is no guarantee that we are missing it, did look into a vacuum?

(PM) That is what I am talking about a soft dig

(DH) That would be one option as to go and do a couple of periodic soft digs and see if you hit stone.

(FM) if you are going to do that you need to let me know as soon as possible because we are going to get some kind of contract with them.

(PM) and I told them that, for both parties protection

(FM) and they will take it an attorney and who knows how long that will take

(MP) it is between Peggy and Dennis, you two will figure out what you think is the best way to go, if it is this vacuum thing or the radar or whatever

(PM) it might be a combination of both, and Troy whatever he is going to find out tomorrow or this week. And if we push that line closer to their sign, I think that would be very positive to do, even it means temporarily taking the sign down and then putting the sign back up. I think they would be very concerned about that though.

(DH) There was talk about allowing people to connect onto the line as it, as the construction went by their property. This is a particularly important issue along Possum Hollow Rd where we moved the line out into the pavement. Because once that line is put in and the pavement is over it, it is not going to be very accessible and so if people want to connect onto that line during construction.

(FM) Except the only one we are even offering is Chambers,

(SB) He is also talking about all the homes we are going by that there isn't public water, we are offering it now. We are putting a water line in front of you, do you want our water?

(DH) We don't need to make this decision today. It is just something you need to think about do you offer a tap, get tap done and get it out to the property during construction?

d. Consideration to Release Escrow Funds of Cumberland Valley Regional Development Corporation for the CVRDC Phase III Project in the amount of \$1,918.50

(JE) Michael, just as a reminder a few months ago when we were having the litigation issues, there were two escrows on one of our agendas, I made a copy of the minutes for that Agenda, which was July 12th. There were two that were requested, but you acted on one and approved it and the other one we took no action because it was in the Phase 3. So now that issue is resolved, Dave Sciamanna asked me if we could take action now to go ahead and release that.

(FM) that is only \$1918.00

(JE) you already approved the other one

(KB) motion to approve the escrow funds of Cumberland Valley Regional Development Corporation for the CVRDC Phase III Project in the amount of \$1,918.50.

(TP) second

(MP) motioned by Ms. Burrows, second by Mr. Pomeroy. Any further discussion? Being no discussion let's vote all those in favor say "aye" no "no's" motion carries unanimously

g. Consideration to Authorize the SBA Engineer to Review a Bond Reduction Request For Water Connections at Timberland Estates (Request by David H. Martin Excavation)

(JE) I received this letter received September 21st but the letter is dated September 20th. Since it is a request for a reduction of bond I believed that the engineer will have to review everything that has been done, is that correct Dennis?

(DH) I have not seen anything about this. I didn't realize this was something I had to review ahead of time.

(JE) You see it is very old; it goes back to at least 2013

(DH) This was something that was put in and you are just looking to eliminate the escrow because the close out documents has been submitted?

(SB) Consideration is for us to approve for him to look at it, right?

(JE) Yes, that is what I am asking, for Dennis to go ahead and review it and we can put it back on the next agenda.

(SB) Motion to approve

(KB) Second

(MP) Moved, by Mr. Brenize, Seconded by Ms. Burrows, any further discussion? All those in favor consent with "aye" those oppose "No" Motion Carries Unanimously

**h. Consideration to Approve the Water System Improvements and Cost Estimate
For the Dollar General Project as per SBA Engineer Review Letter dated 9/13/16 (As Per a submitt
Preliminary/Final Land Development Plan)**

(DH) We have completed our reviews plans and find them acceptable. I don't think any further action is required on (part.

(FM) We will do the financial security agreement, when this initially came in quite honestly, I talked to John and we weren't going to do a financial security because it was all on their property. Items 4 and 5 were not on their original plan, right? The road restoration and the fire hydrant

(DH) yes they added the fire hydrant

(FM) they basically, the first three items are private, but the 4th and 5th are public so we need to bond them, so we will do a financial security agreement based on that estimate, is that a good estimate?

(DH) yes

(MP) so the action that the SBA would take would be? So we really don't need to take an action.

(JE) I am learning to as we go along how to deal with the projects

(PM) John and I had this discussion and I don't want to belabor this but it all come up because of Gandy Manor, because one of my first questions the day I met Sam out there was, did you ever come before the authority and get approval, and he said No. This officially approves these water system improvements so there is an official paper trail that you have approved this.

(FM) based on that you do need to make a motion

(MP) to authorize?

(FM) to approve the improvements and the cost estimate

(JE) and to have you execute a financial security agreement

(FM) right

(TP) so moved

(ET) second

(MP) Moved by Mr. Pomeroy, seconded by Mr. Tsambiras any further discussion? All those in favor consent with an "aye" any opposed "no" motion carries unanimously

**i. Consideration to establish a project and preliminarily approve a water request
At 833 West King St. for a Hair Salon (200 GPD = 1 EDU)
(Plans will be available at Meeting)**

(PM) here are the plans, does anyone want to see them?

(JE) It is at the Kramer Insurance company same property, but right at the end of the parking lot. If you pull into the parking lot the building would be straight ahead of you. There existing building would be to the left.

(MP) What is the wish of the SBA concerning this project and the preliminary water request?

(TP) It says for 200 gpd and I think that was revised for 160 for 1 EDU

(PM) Our question is, is that enough? How many chairs are they going to have in there?

(DH) That will be a question to justify to them as to how did they come up with 200 gallons per day and we can look and see how many EDUs that is, in the regulations it says for beauty parlors it is 3 chairs per EDU. So we don't know how many chairs they have?

(SB) She had 3 at her place on King St.

(MP) this is really two actions, 1 is to establish a project and 2nd is to preliminarily approve the 200gpd.

(ET) motion that we establish a project at 833 W King St

(TP) Second

(MP) moved by Moved by Mr. Tsambiras, seconded by Mr. Pomeroy any further discussion on the establishment of project for a hair salon at 833 W King St. Being none, All those in favor consent with an "aye" those opposed "no" motion carries unanimously

(MP) Our second action would be to preliminarily approve a water request at 833 W King at 200 gpd for 1 EDU.

(ET) My question is how many chairs, the rules say

(DH) this is preliminary, we will verify that as a part of our review.

(TP) So moved

(KB) second

(MP) motioned by Mr. Pomeroy, seconded by Ms. Burrows, so this for preliminary approval of a water request for 1 EDU 200 gpd at 833 W King St, any further discussion? Being none, let's vote all those in favor consent with an "aye" those opposed "no" motion carries unanimously

j. Gandy Manor Phase I Status/Update

(PM) I thought this should be on the agenda because at last month's meeting, the special meeting, a conditional approval was given with numerous conditions. I thought a review of those conditions and where we are at should be discussed.

(FM) the answer to that question is?

(PM) What are the conditions?

(FM) I did an agreement with the conditions in it and they have signed it. All the conditions are in the agreement that did, which they signed. I worked with Mr. Saidis and I just got this today before I came down here.

(MP) So that is step 1, let's keep bringing this back as part of your report, please or you can John put it as an agenda item because it was a rather convoluted motion, with a lot of steps.

(FM) Now Dennis did say that the amount that I used was not accurate, because I used the number I was given by somebody.

(DH) They submitted a cost estimate, which we reviewed and as part of one of the comments in our review letter, we said that it needed to get revised to reflect the revised drawing as originally submitted it was

(FM) 27,750

(DH) the quantities unless you have something different than what I have, and I don't remember what they were

(FM) I have your letter of Aug 8th, and that is all I have and it just references the fact that the cost estimate was attached, which is what this is.

(DH) the second page of that down here says, the provided cost estimate does not coincide with the full scope of the work indicated on the plans provide revised cost increases

(FM) this is only for the first part of this

(DH) it does, I had no way of knowing, I didn't go back and look at that old estimate because there were changes in drawings

(FM) I will find out what is going on and get that approved at the next meeting

(DH) We provided a review letter on the drawing which we dated all of our comments, and that letter had been addressed but we still needed the cost estimate. That went out September the 29th, that was the only thing that I was concerned with was getting an updated cost estimate that reflected those revised drawings.

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

(MP) Let's table this one more time, it is important but we don't have to do it right now, and then let us instead move to an executive session that is intended to be concerning a contractual matter.

Adjourned and the Return time was 10:26pm

(MP) So we have returned from executive session which we discussed a contractual matter and now we are going to schedule a special meeting for Thursday October 20th at 7pm on the agenda that meeting should be two items, 1 is going to be items concerning Well #4 and the other item would be consideration for merging or acquiring the SCWA. We will also talk about grants for either the Lurgan Pump Station or the SCWA acquisition.

6. Financial Review:

a. Consideration to approve Shippensburg Borough Invoice for September 2016

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

(KB) second

(MP) Moved and seconded all those in favor consent with an "aye" any opposed "no" Motion Carries Unanimously

6. Any other Business

(MP) Peggy? Angelo? John? Dennis? Troy? Mr. Myers? Steve?

8. Adjournment:

(MP) motion to adjourn

(SB) motion

(TP) second



Secretary

Next meeting November 8, 2016

