

**LOWER PAXTON TOWNSHIP
AUTHORITY MEETING**

Minutes of Township Authority Meeting held August 23, 2011

The quarterly meeting of the Lower Paxton Township Authority was called to order at 6:02 p.m. by Chairman William B. Hawk, on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Authority members present in addition to Mr. Hawk were: William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and David B. Blain. Also in attendance were George Wolfe, Township Manager; Steven Stine, Authority Solicitor; William Weaver, Sewer Authority Director; Jim Wetzel, Sewer Authority Operations Supervisor; Mark Hilson, Authority Engineer, Jeff Wendle and Kevin Shannon, CET Engineering Services; Richard Pleasants; and Ted Robertson and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Seeds led the Pledge of Allegiance to the Flag.

Approval of Minutes

Mr. Crissman made a motion to approve the minutes of the July 12, 2011 business meeting. Mr. Seeds seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Public Comment

Ms. Natalie Damrauer, 6124 Locust Street, explained that she had six inches of sewage in her basement during the storm that occurred a couple weeks ago. She noted after Hurricane Ivan, she had her home weatherproofed and they dug a trench and waterproofed against ground water. She noted that she never expected to have a sewer backup into her basement. She provided pictures of the damage to Mr. Hawk. She noted that it was not a fun experience. She noted that she had Service Master clean and sanitized the basement at a cost of \$1,800, and now she has to have a contractor replace the baseboard and make other repairs. She explained that she has homeowner's insurance and was told that it would not cover this damage and the flood insurance won't cover anything that occurs in the basement. She noted that her flood insurance agent told

her that she had a \$2,000 deductible and since Service Master's bill was \$1,875, even if it was a payable claim, she would have to max out the deductible before anything could be paid on the claim. She noted that all her expenses must come out of her pocket and she has bills totaling almost \$4,000 to date. She noted that this does not include those items that need to be replaced there were damaged and lost. Mr. Weaver explained that once his Department receives a notification that a resident has a backup; staff confirms that it was sewage and then staff will submit an insurance claim to the carrier. He noted that he did not see Ms. Damrauer address on his list. She noted that she did not call the Township because she expected her insurance to take care of the damages only to find out that it did not. Mr. Weaver noted that he would submit the information to the insurance carrier. Ms. Damrauer provided Mr. Wetzel with a copy of her invoices.

Chairman/Board Member Comments

There were no Chairman/Board member comments.

Old Business

There was no old business.

New Business

Action on Change Order #4 for the ARA Contract for conflicts with storm sewer

Mr. Weaver noted the reason for the Change Order is to reroute storm sewer on Jackson Street due to existing sanitary sewer conflict with a storm culvert. He noted that the storm sewer was not shown on the plan and the change order was prepared by CET and approved by Abbonizio, the Contractor.

Mr. Kevin Shannon noted that it was shown that the new sewer was going to be very close to an existing storm sewer but when they went to replace the sanitary sewer, they found that the existing sanitary sewer went through the storm sewer on Jackson Street. He noted that the best solution was to reroute the storm sewer down the street towards Elmerton Avenue until it could be located underneath the new sanitary sewer. He noted that Public Works staff made the recommendation for the correction to the conflict. He noted that it was an unforeseen condition that required the change order.

Mr. Crissman made a motion to approve Change Order #4 for the ARA Contract for conflicts with storm sewer in the amount of \$31,556.35. Mr. Seeds seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Action on Change Order #5 for the PC-4B/6C Contract for additional excavation, stone backfill and paving with trench collapse

Mr. Weaver noted Change Order #5 is with Michael F. Ronca and Sons for additional paving and backfill due to unusual conditions on Earl Drive and East Creek Drive. He noted that the trench collapsed from the work at this location due to the deep sewer and the unforeseen conditions of the soil. He noted that it caused a significant delay for the contractor and additional stone and paving. He noted that he, along with staff and CET met with the contractor over several weeks to determine the documentation of exact costs incurred. He noted Ronca provided very detailed information to Mr. Hilson, and he created a spreadsheet to calculate was the fair and reasonable compensation to the contractor. He noted that the original claim amount included in the Board packet from Ronca was in the amount of \$457,897.42 and the recommendation from staff is \$295,000.00, a difference of \$162,897.42, amounting to 64% of the request. Mr. Hilson noted that there was the additional cost to truck the excavated material away.

Mr. Crissman made a motion to approve Change Order #5 for the PC-4B/6C contract for additional excavation, stone backfill and paving with trench collapse in the amount of \$295,000.00 with Michael F. Ronca and Sons. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Action on Change Order #2 for the PC1A/1C Contract for miscellaneous excavation, stone backfill and paving at MH70 as requested by Public Works

Mr. Weaver noted that this manhole has been a thorn in the Authorities side for the past few years as there has been significant settlement in the area with numerous complaints. He stated that it was determined that there are significant drainage issues in that area, noting that it is at a very low point on McIntosh Road where significant amount of storm water runoff travels through the trench. He noted that Mr. Hilson and Mr. Robbins determined what could be installed to provide for more compaction to alleviate this issue. He noted that Liberty Excavators

did the work on a time and material basis and Mr. Hilson reviewed the paperwork and recommended the change order in the amount of \$6,941.12.

Mr. Crissman made a motion to approve Change Order #2 for the PC-1A/1C Contract for miscellaneous excavation, stone backfill and paving at MH70 as requested by Mr. Weaver in the amount of \$6,941.12 with Liberty Excavators. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Action on Change Order #3 for the PC1A/1C Contract
for additional rock removal for private sewer

Mr. Weaver noted that this change order is from Liberty Excavators who encountered a rock situation for several sewer replacements. He noted that there was discussion on a price per cubic yard for rock removal and the contractor provided documentation for the price of \$225 per cubic yard. He noted that staff and CET further discussed this issue and requested additional documentation and Mr. Hilson recommended that Liberty reevaluate certain items in their original change order. He noted that Liberty agreed to remove certain items, but there was so much confusion on their part for what the Township wanted, that staff came up with a lump sum price that equates to \$175 per cubic yard. He noted that staff is satisfied with the increase in the contract of \$2,625.00. Mr. Weaver noted that it was for the lateral work done at the old Stabler Farm.

Mr. Crissman made a motion to approve Change Order #3 for the PC1A/1C Contract for additional rock removal in the amount of \$2,625.00 with Liberty Excavators. Mr. Blain seconded the motion.

Review of the Draft 2012 Authority Budget

Mr. Weaver noted the Authority typically does its budget to correspond with the Township schedule for preparation of the budget. He noted that his revenues and expenditures typically run close to what the budgetary items are. He noted the revenues are on line with the estimated budget of \$11,900,000 because of reductions in commercial and residential growth due to the economy. He noted that it is the same for tapping fee due to the decrease in construction. He noted that interest income is lower due to the low interest rate. He noted that the revenue totals are very close to the estimate budget of \$12,927,942 however, he anticipates that the budget will be \$13,871,762. He noted that a large reimbursement was anticipated from the Swatara

Authority noting that the Authority expected to receive funds from the Commonwealth Financial Authority (CFA) for the Sewer Treatment Plant but due to the Change Orders and run overs, there are monies shown in the Capital Improvement Fund (CIF) to pay \$280,000 in additional costs. He noted that year-end revenues are very close except for those items.

Mr. Seeds noted that \$125.00 was projected for the Sewer Authority quarter rates years ago for the 2012 increase. Mr. Weaver noted that he was concentrating on the year-end figures, however, that is correct, noting that \$1.5 million is allocated for next year. He noted for expenditures everything is online, and there are no items of concern at this point. He noted that the year-end totals are estimated to be very close to budgeted items. He noted that there are no major expenditures in Operations except for the purchase of the new flush truck, noting that the old one was 15 to 16 years old and required significant maintenance that was not able to be done in-house. He noted that the estimate balance is \$242,000. He noted that there are no costs under the debt service or any other items under the Operations or Maintenance. Mr. Hawk questioned if the total expenses is \$12,544,691. Mr. Wolfe noted that is what is proposed for next year.

Mr. Weaver noted that the estimate balance for expenses for 2011 is \$13.1 million and \$13.2 million was budgeted; for next year it is \$12,544,691.

Mr. Hornung requested an update to the billing situation with the City of Harrisburg. Mr. Weaver noted that the Authority continues to pay its current bills on time, but as far as the litigation on the past bills and the special counsel investigation, no recent meeting have been held since the last Authority meeting. He noted that there is nothing new to report. Mr. Wolfe noted that staff is waiting for special counsel to complete their research. Mr. Hornung questioned if the Authority is currently paying the lower rate. Mr. Wolfe answered that it is paying the current rate based upon the City of Harrisburg's ordinance that went into affect in 2008. He noted that the Township did not pay for one year of the increased rate. Mr. Hornung questioned why the Authority is paying the higher rate now. Mr. Wolfe answered that it is the current rate. Mr. Weaver noted that he received a letter along with a copy of the ordinance requesting that the bill be paid at the new rate, and also the past amount due and that is what precipitated the litigation. Mr. Wolfe noted that the special counsel's issue is not so much whether we owe them money; rather if the City of Harrisburg has over billed the Township in prior years. Mr. Hornung noted if they have over billed the Township in the prior years the question becomes are they continuing to over bill the Township. Mr. Wolfe answered yes as it

may have been compounded. Mr. Hornung questioned if the Township would prevail would the City of Harrisburg owe money back to the Township. Mr. Stine interrupted the discussion by stating that this discussion is an executive session issue since it is a potential litigation for the Township. Mr. Hawk noted that he understands what Mr. Stine is saying.

Mr. Seeds questioned if the information that the Township has requested from the City of Harrisburg has anything to do with the fact that they could raise the rates rather than what the rates are based upon. Mr. Stine noted that this is an executive session issue that should not be discussed.

Mr. Weaver noted that he would like to review the proposed 2012 revenues and expenditures and capital improvements for the budget. Mr. Blain questioned if there would be a deficit for the year for the Authority budget. Mr. Weaver answered yes for operations and maintenance. Mr. Blain questioned if that was due to the decrease in revenues by \$400,000. He noted that it looked like the budget would have a surplus of \$594,000 but not if there is a deficit of \$233,000 showing estimate for the end of the year. He noted that the sewer rental revenues are down from what is expected by \$400,000. He questioned if this was accurate. Mr. Weaver noted for the most part, the largest portion is the Swatara reimbursement of \$210,000 and the sum of rentals for sewer fees and tapping fees is roughly \$400,000 difference. Mr. Blain noted that the \$242,000 truck was budgeted for 2011. He noted that the budget number was \$365,000 and the truck only cost \$242,000. Mr. Weaver explained that initially staff looked to purchase a vacuum unit but it was more than anticipated and it was also a machine that would not be used every day, therefore it was decided to purchase the standard flusher truck.

Mr. Weaver noted for 2012, he has not received the rates from the City of Harrisburg or Swatara Township Authority, and the capital improvement is only an estimate at this time. He distributed Mr. Wendle's five-year projections for revenues and expenses. He noted for 2011 the sewer quarterly rate was \$120 and if it is carried out to 2012 the new projected rate would be \$125 per quarter. He noted that is what was provided for the 2012 budget, a \$5 increase in the sewer fees. Mr. Blain noted that this chart shows last year's numbers but the sewer rental revenues do not match. Mr. Weaver answered that was correct. Mr. Blain noted that this is to be used for comparative purposes showing last year's projections. Mr. Weaver questioned if the Board would like Mr. Wendle to revise the chart. He noted that the operations and maintenance expenses are not changing much and the capital improvements are going to be speeded up for the

first-three years to use the wet water treatment plant bond funds. He noted that the project costs are still online with some additional costs for paving over time. He noted that he could have Mr. Wendle redo the chart for the November meeting. Mr. Wendle suggested that it be done because there was a goal to maintain a reserve of \$5 million. He explained, since no growth has occurred, he has projected \$12,300,000 for sewer rentals but Mr. Weaver has projected \$11,900,000, providing a \$400,000 difference that would create a \$1,900,000 deficit as opposed to \$1,500,000, and get the Authority to the reserve number much earlier. Mr. Crissman agreed that the chart should be updated. Mr. Seeds noted that the proposed wet weather treatment plant will not be built but more replacement will need to be done in the future and it will cost more money. Mr. Wendle agreed with Mr. Seeds. Mr. Seeds suggested that is another reason to revise the chart. Mr. Wendle noted that it won't make a difference over the next five years since the borrowing has already been done for that time period. He noted if his projections go out beyond that, then it would make a difference. Mr. Hawk noted that the Board needs to keep a handle on the projections so it would be good to revise the chart.

Mr. Blain questioned when Mr. Wendle revises the chart would he spend time with Mr. Weaver going over operative and administrative expenses and how it would lay out for the next couple of years. He noted that the general assumption is a 3% increase, noting that there is almost \$10 million in expenses, and more time should be spent to review those numbers and to use the general assumption of 3% simply for the matter of payroll costs and benefits. He noted that a 1% difference would have a great impact on the analysis. He noted that the debt service should be consistent across the board and it should not change. Mr. Crissman noted that the debt service is \$5,289,180 and he question if this is the highest level or will it go higher. Mr. Wendle suggested that the \$5.2 million is the highest level. Mr. Crissman noted that he likes to maintain level debt service. Mr. Wolfe noted that he would have staff confirm that.

Mr. Wendle noted that Mr. Smida gave permission to move ahead with various projects using the bond funds, but they must be under contract by 2014 in order to be in place by 2015 and 2016. He noted at some point there will have to be additional borrowing after those projects are completed. He noted that he could add another five years to the chart to take it to 2021. Mr. Weaver noted that rate is the plateau as he recently reviewed this with the Finance Department. Mr. Hawk noted that it would change if the Authority does additional borrowing. Mr. Crissman noted that the user fees would have to be raised to offset the debt service. Mr. Weaver noted that

a long-term review is important because the long range costs for improvements in Beaver Creek will be much higher and it was not included in the original chart.

Mr. Weaver explained that he wanted to discuss the capital improvements noting that the projections for next year are \$16,654,400 the largest amount ever budgeted, due to the Beaver Creek improvements that will be necessary as a result of not building the wet weather treatment plant. He suggested that this budget is very close to final form noting that it has more control on the scheduling since Mr. Wendle is preparing the Corrective Action Plan (CAP). He noted that there is a significant amount of work and money budgeted for next year. He noted that the funds must be spent quickly for the Beaver Creek CAP, and there are a lot more engineering and staff demands.

Mr. Weaver explained that the paving expense is budgeted at zero because Patrick Kirk, the Authority and Township Auditor, needs to discuss this issue more with the Audit Committee and Tom Smida. He noted that Mr. Kirk has pointed out to staff that the paving that the Authority does is an expense and not a capital improvement. He noted that Mr. Wendle has estimated that over 22% of the construction costs are for paving at an estimate of almost \$3.1 million next year, with a little less on an annual basis. He noted that it is not an expense that he can handle on the operations and maintenance side and he believes that it is a capital improvement. He noted that after a decision has been made on this issue, he will move money from the specific replacement funds to a paving expense of some sort.

Mr. Blain questioned if it is an expense for general paving for the Township. Mr. Wolfe answered yes. Mr. Blain noted that it would be a different story if staff mills the roads and restructures the road. He questioned when a road is restructure is it an expense. He questioned, when Briarsdale Road was revamped, was it an expense. Mr. Wolfe answered that he assumed that was an expense, but he was not sure. Mr. Blain noted that it was a complete replacement so he suggested that more research should be done on this to determine if it should be an expense or capitalize. He suggested with the new GASB standard that it would be capitalized with the fixed assets. Mr. Wolfe noted that Briarsdale Road should have been capitalized. He noted that he would check on that but he suggested that roadway maintenance would be an expenditure. Mr. Blain noted if it is maintenance it would clearly be an expense since it is not a new addition. He suggested that there is an argument that the Authority is doing a capital improvement because the roads are being completely restructured and not just maintained. Mr. Wolfe answered that is true

for some locations such as Irene Drive and Earl Avenue. He noted in other locations, only an overlay is being done. Mr. Blain agreed that an overlay would be maintenance but when you dig up a right-of-way to install a new sewer line and new stone and base coat has to be laid that is a capital expense. Mr. Wendle noted that a capital improvement is replacing the sewer but as a requirement you need to restore the surface and the Township ordinance states that if a contractor has so many cuts you have to overlay. He noted for the sewer he thought that it was included in with the capital projects. Mr. Wolfe questioned if the overlay is capitalized. Mr. Blain noted that the overlay would not be capital improvement since it is general maintenance for the road. He noted if you milled the road and lay a new surface then it would be considered maintenance and it should be expensed. He noted that we need to talk to the auditors about this at our next Audit Committee meeting. He noted that he wants to seek their guidance for what they have determined for the difference between maintenance activity and what is considered a capital improvement for a roadway. He noted that the Township's argument is that anytime it goes beneath the depth of the base coat of 6 inches or whatever it is, that is a capital improvement. He noted since the Authority is installing new sewer lines which is a capitalized cost and part of that is all the expense that is incurred to reestablish the road again. He noted that you would be reestablishing a brand new road.

Mr. Crissman noted that he is more interested in getting the work done and letting the accountants put the numbers in the right columns. Mr. Blain noted if nothing is done about the expensing versus capitalization it will show budget deficits. Mr. Weaver noted that Mr. Smida needs to be involved to ensure that the Authority can use the money for paving. Mr. Blain suggested that the accountant be invited to attend the next Audit Committee meeting in September to discuss this matter further. Mr. Crissman agreed. Mr. Weaver noted in fairness to the auditors, he likes what they are proposing in terms of what is capitalized and what is not. He noted their plan is very good because it separates it out in the budget so the auditors don't have to come to the Authority every year for this information. Mr. Crissman noted that he does not want the accounting process to impede the process of moving forward to complete a project. He noted that it is most important that we get the work done in the Township. He noted that it has a higher priority than the placement of the numbers. Mr. Blain noted that he agreed with Mr. Crissman, but what it will do is cause problems when it comes to the use of the bond monies

because there may be a problem when it comes to the debt service and when the Authority purchases new bonds in the future.

Mr. Hawk questioned if there has been some recent legislative changes as to what is maintenance and capitalization. Mr. Wolfe answered that the Township and Authority started to comply with new GASB regulations about two years ago, and that is what Mr. Blain is trying to interpret for the Authority. Mr. Hawk questioned if there has been any contact with Zelenkofske Axelrod (ZA). Mr. Weaver noted that he was told by ZA that this is what the Authority needs to do and he stated that he would get back to them since it, has created a hornets nest and he needs to discuss this with the Audit Committee, Engineer and Bond Counsel to determine how it effects the Capital Improvement Plan for the next three years. Mr. Wendle noted that the biggest concern is that the Authority won't be able to spend the bond money legitimately but he could not understand how it would be not allowed when restoration is a requirement of the construction. He noted that you can't construct the sewer without restoring the road whether it's an overlay, a trench restoration, or seeding someone's right-of-way. He noted that it is part of the construction costs.

Mr. Hornung questioned if the delinquent accounts are increasing or staying the same. Mr. Weaver noted that Ms. Hoffman does a good job with getting the accounts to the collection agency. He noted that the past debt was very large, but it has decreased after removing some of those accounts off the books, either through litigation or the selling of the house. He noted that they are seeing more bankruptcy than whole scale delinquencies and sheriff's sales. He noted that he has not seen a huge increase. Mr. Hornung questioned who the Authority pays \$60,000 for this service. Mr. Weaver answered that it is Kodak and Imblum. Mr. Hornung questioned if it is a good investment for the Authority and if the Authority is getting more than \$60,000 back to compensate for Kodak and Imblum's fee. Mr. Stine answered that the Authority is collecting the collection fee also. He explained if they don't pay, the Authority will sell their house. He noted that the Authority doesn't lose a dime. He noted that almost all the time there is a mortgage and the mortgage company pays back bills since they don't want the Township to divest the mortgage. Mr. Wolfe explained that the Authority has not sold one house for delinquent sewers. Mr. Seeds noted that the Authority would not be paying the agent \$60,000 unless it was getting the money back. Mr. Weaver noted that it is billed to the account immediately, whether we collect it or not. Mr. Wolfe noted that the fee is added on to what the

customer owes and it goes to the total collection of payment to the Authority. Mr. Weaver noted that he has some issues with collections that he is not prepared to discuss tonight, as staff has told him that after they suggested going with Kodak and Imblum thinking it would save on the collection fee costs, there are some issues. He noted that this will be discussed at a later meeting.

Resolution 2011-06; authorization of the destruction of Authority records

Mr. Weaver noted that this resolution authorizes the destruction of Authority records. Mr. Crissman made a motion to approve Resolution 2011-06; authorizing the destruction of Authority Records as identified in Appendix A. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Second Consent Decree DEP Annual Meeting Presentation

Draft Second Amendment of the Second Consent Decree

Update on total project costs associated with the Beaver Creek and Paxton Creek Sewer Replacement Program Cost Estimates

Mr. Weaver provided the Board members with a copy of the presentation that he will make at the Department of Environmental Protection (DEP) Annual Meeting. He noted that for the past three years Mr. Whittle and Mr. Wendle have prepared a power point report. He noted that there are roughly 25 slides to show. Mr. Weaver questioned Mr. Wendle if there was anything that he wanted to outline for the Board members.

Mr. Wendle explained that he provided a summary of what occurred with the litigation with the wet weather treatment facility, indicating that it will not be a part of the plan, and instead has drafted a CAP that was submitted to DEP and the Swatara Township Authority (STA). He noted that it is a long-term plan, similar to the Paxton Creek CAP. He noted that he provided a summary of the different phases for the mini-basins rehab program for the first six mini-basins which has been identified, with a large share of that included in the budget that the Board just reviewed. He explained that he provided a table to show why they were chosen, showing the peak gpd per EDU and what the excess flow was. Mr. Weaver noted that Mr. Wendle provided the detail for the project scope of work. He noted that a large portion of the

work to be done is east and north of the Municipal Center. He noted that the survey and design work is ongoing for this area at this time.

Mr. Wendle noted that the CAP also includes a modeling effort for the Nyes Road and Beaver Creek Interceptors as well as the joint use interceptor. He noted that due to the new capacity in the Swatara Township Treatment Facility (STTF), he proposed some amendments to secure a larger monthly maximum allowed so that the Township is not over that allowance when a heavy wet weather month occurs that results in a restriction on the issuance of building permits. He noted that the 7.4 mgd capacity is still in the joint use interceptor and one of the elements for the Beaver Creek CAP is to model the joint use interceptor. He noted that STA has indicated if the Authority is not causing any overflows as long as the plants peak flow capacity is not exceeded that it would be okay and within the limit. He explained if the Authority goes over the 7.4 mgd and nothing overflowed and the plant performed okay, it would be like no harm no foul as opposed to before when we discussed when the 7.4 mgd is reached, then the Township would have to start treating. Mr. Weaver noted that STA is willing to let Mr. Wendle model the interceptor and not require someone else to do it. Mr. Hornung questioned if there are overflows in that area. Mr. Wendle noted that the overflow occurs in the Township, but part of the reason why the joint interceptor overflowed before is that it had a full pipe capacity of around 12.3 mgd, but the pumping station could only pump about 8 mgd, so as soon as it hit the 8 mgd level it started to back up. He noted that now it should be able to pump 16 mgd, so once they are able to clear that out the Authority may be able to carry substantially more than 12 mgd per day in the joint use interceptor without an overflow. He noted that it will be surcharged but not an overflow. He noted that he would not know what that number would be until he does the modeling. He suggested that the Authority should go to STA and once we get that number, let's call it a day rather than trying to get down to 7.4 mgd.

Mr. Hornung questioned what level are we at now. Mr. Wendle suggested that it is 19 or 20 mgd. Mr. Wolfe noted that no work has been done in this area except for BC-1. He suggested that it has been increased past the Beaver Creek pump station. Mr. Wendle suggested that it has remained consistent since they are using the old force main. He noted that it is only a little bit more.

Mr. Seeds questioned if they had overflows in Linglestown in the recent rain event. Mr. Weaver answered yes, noting that we had two major events that we will talk about later. Mr.

Seeds questioned if the new pumps for the force main are in. Mr. Weaver answered yes. He noted that he will discuss the partial mini-basin replacement in Beaver Creek that was not successful later in the meeting. He noted that staff has learned that total replacement is the only way to go. Mr. Wendle noted that the alley is part of the PC-2D project. He noted that the Authority was able to reduce flows to 1,600 gpd. Mr. Hornung questioned what the last one was. Mr. Weaver noted that in 3B with a partial replacement it provided a significant removal of 58% however it did not meet Mr. Wendle's target of 1,000 gpd per EDU for the entire basin. He explained that he did a mini-basin within a mini-basin tackling 100 homes out of a total of 250 homes. Mr. Wendle noted in BC-1A staff did the area of Elaine and Elmer Avenue but it did not include Raspberry Alley behind Lios. Mr. Wolfe noted that although there was an improvement, staff is also making more room for the areas that are still leaking. Mr. Hornung questioned if there was an issue with the metering data and that information wasn't available to know if the partial replacement would not provide the necessary relief. Mr. Wendle answered in 3B, there is a meter that meters the entire basin, and it was showing that after the rehab work, where spot liner were installed, it was up around 10,000 gpd per household. He noted that staff went out and located the worst areas, and they did those streets and it was reduced to 4,000 gpd providing a substantial reduction but the entire basin was not rehabilitated. He noted if staff wants to get that down to a 1,000 gpd/EDU, the entire basin will have to be done. Mr. Weaver noted that the alternative is to do partial restoration and storage.

Mr. Weaver noted that he provides a summary of what was done during the prior year as part of the plan; summarize all the mini-basins, PC6, 1A, 1C, and 3B. He noted that he provided the design schedule update and what projects are projected for the coming year. He explained that PC/1G-1H was added to the list. He noted that he would discuss this later in the meeting. He noted that he will be meeting with the residents of Forest Hills tomorrow night to discuss this project.

Mr. Weaver explained that he wanted to provide an update to DEP on public sewer construction issues every year to make them aware of some of the issues with the program to include trench cave-ins, pavement issues, utility conflicts, groundwater/surface water, and traffic control complaints.

Mr. Weaver noted that he has private sewer construction issues to include utility conflicts, yard restorations issues, and surface water. He noted that the specification modifications for bids are the next item on the agenda.

Mr. Weaver noted that SC1 mini-basin and the trunk line improvement that are needed to be done are on schedule. He noted that Alton Whittle prepared a wet weather summary to show overflow reductions noting that it was a very significant wet spring of 2011, one of the wettest since the metering program began. He noted that the last wet weather event will also be discussed. Mr. Hawk noted that Mr. Weaver identified eight bullet points and he questioned if he was going to review these issues with DEP. Mr. Weaver answered yes.

Mr. Weaver noted that he will provide an overflow reduction summary. He explained that the Community Environmental Project (CEP) is approved and he will provide a program summary of where the Authority is with the program and that it is on schedule. He noted that concludes the summary of the presentation for DEP. He explained that he asked CET to put all the amendments that are required in the computer to include the amendment to the Second Consent Decree and all the exhibits to go with it, the Beaver Creek CAP, and the settlement agreement. He noted that he provided these documents to the Board as the Board has never viewed them before in their complete form. He suggested that there was no need to review all the documents that is why he only provided a brief summary.

Mr. Weaver noted that Mr. Wendle and Mr. Stine provided comments on the consent order to DEP and the revised version from Gary Hepford (Staff counsel –DEP) is in the packet. He noted that Mr. Hepford accepted all the comments except for one in regards to the package treatment plant. Mr. Weaver noted that the hydraulic overload would not be eliminated immediately, and there is a 20-year replacement program, the package plant that the Authority is operating is assumed to be in operation for 20 more years and that is not something the Authority wants to do. He suggested that the increase in flows should be treated like a new development as there is no significant impact. He noted that the Authority will propose that it should be able to accumulate permits and once it accumulates the necessary permits, then the plant could be removed. He suggested that some modeling could be done to show that the overflow will be eliminated in the area, but it does not look as favorable. He noted that the Authority may have to keep the package plant in operation longer than anticipated. He noted that DEP preliminarily

gave all the permits that it had in the last consent decree to the Authority with no major negativity in the process.

Mr. Weaver noted in regards to the settlement agreement, staff met with Swatara Township a few weeks ago and there were no issues. He noted that the Authority is trying to do away with the settlement agreement, but there is some thought that the developers may want to retain the settlement agreement since it was negotiated and they are guaranteed permits that they may not want to give up. He noted that Swatara Township will be made whole with the inter-municipal agreements. He noted that Mr. Wendle was able to get more capacity from the new plant; therefore, Swatara Authority has been satisfied with the agreement and it will just be with DEP.

Mr. Seeds noted if things had gone according to the plan, the package plant would have been eliminated a number of years ago. He noted when the unused permits equal the amount that the package plant handles then we could eliminate the plant. He questioned what the life expectancy of the plant would be before it would need to be replaced or improved. Mr. Wolfe suggested that it is not quite 15 years old; however, it was to be out of service December 31, 2005; one year after the wet weather treatment plant was to be put in service. Mr. Wendle noted that after 20 years, substantial replacement is needed to pumps and parts. He noted that the concrete structure should be fine. Mr. Weaver noted that the Authority has good part-time operators who do a fabulous job running the plant, violation-free, and the operators and staff maintain it very well. He noted that the big issue would be the motors for the blowers. He noted every year we change one and the grinder unit is replaced every three years. He noted there are issues with the sampler, but he did not think it would be major money item to keep the package plant operating. He noted that improvements have been made to the diffusers. He explained that the blowers were constructed in a shed and he would not have done that, but he would not build a new structure at this time since it may only be needed for another seven or eight years. He noted that Mr. Wendle anticipated that it can operate for another four or five years. Mr. Seeds questioned what it would cost to renovate the package plant. Mr. Weave suggested that it would cost \$55,000. Mr. Seeds noted that there would be some costs with the re-piping when the plant is eliminated. Mr. Wendle noted that there would also be a savings in fees paid to Swatara Township. Mr. Weaver did not think it would result in a net savings, more of a wash. Mr. Wolfe noted that the Authority would be eliminating a piece of equipment that would have to be

replaced in the future and the additional maintenance. Mr. Weaver suggested that it would be a saving of \$35,000. Mr. Hornung questioned if the Authority paid for the plant. Mr. Seeds noted that Mr. Desouza built the plant.

Mr. Weaver noted that he spoke to John Kerschner and he will represent the developers for the settlement agreement and the Second Consent Decree at the meeting. He noted if there is time, the intermunicipal agreement will be discussed at tomorrow's meeting with DEP. He noted that he will have all the necessary documents in final form by November.

Mr. Wendle noted that he attached a memo to the engineers' report noting that Exhibit 1 compares the number of phases that were completed in the first five years, from 2007 to 2012, and of the five that were projected during this time, four are under contract and almost done; PC-4B/6C and PC-1A/1C. He noted for PC-4B/6C, the survey and design numbers were less than anticipated and the permits cost more due to DEP requirements, but adding it all together the soft costs were less than originally projected. He noted that the total replacement costs were higher than bid as estimated but the original had a 20% contingency; however, the total construction price is \$400,000 less than anticipated. He noted for PC-1A/1C, permit costs were an issue, but design and survey costs were less than expected and the total replacement costs without a contingency were \$800,000 less than estimated. He noted for the first five years, the program is within the bounds of the original estimate; however there is a significant issue with paving costs for the projects. He noted that it may erode the contingencies for the projects. He noted that GIS has now provided a better estimate of the streets in the basins, and he updated the cost estimates based upon the recent experience with paving, using a wider trench and a wider pave width, and came to the conclusion that the projects consume the contingency over the 20-year period but the numbers came out equal to what had been originally projected for the project costs for the remaining basins. He noted that it also includes 20% of construction costs for under slab work which has not been done. He noted that all costs have increased from the first PC/5C basin work. He noted that it was completed for \$170 per foot gross sewer. He noted that the numbers are now coming in some what higher than that, but it is still within the estimate using today's dollars.

Mr. Wendle explained that he made the same projections for the Beaver Creek CAP, without a 20% contingency; and it came to nearly \$88 million. He noted that it is a substantial difference from the \$25 million to \$30 million that was anticipated for the Wet Weather

Treatment Plant and ongoing maintenance in Beaver Creek. He noted that he wrote some items into the BC CAP that would allow the construction of storage at anytime. He noted that the Township does not have to commit to storage until the year 2027. He noted that the Authority is strapped in to what it can do due to the borrowing restrictions that require the work to be completed within the next five years. He explained that he wants to make additional provisions to control the paving costs. He noted that he videotaped PC2C/2D to know what the road should look like before the project is bid so Mr. Robbins does not mark areas for reconstruction making it very difficult to control the costs. He suggested doing a street by street agreement. He noted that he wants to coordinate this with the Public Works Department.

Mr. Wendle noted for the issue of lining he prepared an estimate, even though there are problems with lining that was installed. He noted that even though it is cheaper, they are having problems with leaks. He noted if the objective is to renew the sewer system, even if lining is 30% cheaper, if it doesn't keep the leaks out what good is it. He noted that he could bid with an alternate for lining to determine if the 30% estimate is correct, but if we continue to have problems then it is not a good choice. He suggested that lining bids could be delayed as the technology for lining is improving noting that he will continue to keep an eye on it, especially after the first five-year period is completed. He explained if Earl Drive would have been lined, where there are deep sewers, and the entire street caved in and had to be repaved, it may have been prudent to line that location. He noted that he could limit the amount of lining that would be used without doing an entire basin and it would save a substantial amount in potential road reconstruction and provide for the experience of deep lining projects, noting that some could have a problem that might have to be repaired. He noted that we would be able to see how those lining jobs would perform.

Mr. Seeds noted that Mr. Wendle mentioned that there were some problems with lining, but he mentioned that doing some deep areas might be helpful, but if it proves that it is not worth the savings in money, then why would we do it. He questioned how DEP feels about lining. Mr. Wendle noted if you lined a project, you could make a case with DEP that it is replacement because you have a new pipe within a pipe, but if it doesn't remove the I&I, it isn't practical to do it. He noted that there are some lining projects that have worked. He noted that the area under I-83 was lined because it had to be lined. He noted that it was installed under I-83 and within

weeks it could not pass an air-test. Mr. Seeds questioned if it is a case of poor installation. Mr. Wendle suggested that it has a lot to do with it.

Mr. Weaver explained that he just received a letter from Mr. Rehab, the installer stating that they were dealing with a factory defect and that there was water in the line. Mr. Seeds questioned what you do about the problem with the manufacturers defect. Mr. Weaver noted that Mr. Rehab is proposing to reline the sewer and do spot repairs. Mr. Stine suggested that a warranty claim could be filed. Mr. Wendle noted that the contractor has a performance bond and they have to make it right.

Mr. Wendle noted that it is important to look to the future for storage facilities since that is one way to solve the problem. He noted that he is not only looking at the peak, but also the duration of the peak flows and as it gets smaller and smaller the storage requirements get smaller and smaller. He noted that Paxton Creek, Alternative 2-A that was accepted was expecting to get down to 2 million gallons at some point in storage. He noted that the Authority continues to need a place to locate that. He noted if you shrink the flows fast enough but have not gotten the peak flows out, and there is a need to store a small amount, it might be cost effective to stop and store and then do ongoing maintenance rather than to replace the \$88 million worth of pipe in Beaver Creek. He suggested that before the Township gets too developed, it should find locations for storage. Mr. Seeds suggested that we are at that level now. Mr. Wendle suggested that the landfill could be an option for the Beaver Creek basin. He noted that it would be prudent to secure those sites sooner than later.

Mr. Hornung questioned if Mr. Wendle is looking to store 2 million gallons. Mr. Wendle noted if the replacements were completed for the first 15 years in Paxton Creek, he felt that he could get it down to 2 million gallon storage from the current 11 or 15 million needed at this time. He noted that it was decided to replace some of this and in 15 years the Authority could determine where it is and store the last increment. He noted that the program states that by 2022, the Authority must inform DEP if it is going to store it and continue with the construction or could it make it without storage. Mr. Weaver noted that Mr. Wendle is pointing out that the Authority needs to locate some sites, and to keep an eye on the costs. He noted that the Township is getting built out and the Authority needs to find sites for storage. Mr. Seeds noted that the Authority has sites, but it is not allowed to build on it.

Mr. Wendle noted for Susquehanna Township, their Act 557 Plan includes storage and they recognize that they will need storage. He suggested that there will be a need for cooperation in the future. Mr. Weaver noted that he will work with Susquehanna Township Authority and report back to the Board on its actions. Mr. Wendle noted that it is a sad state of affairs, especially if both Townships build their own storage facilities; it is a waste of money. Mr. Crissman noted it would be good for both municipalities to work together. Mr. Weaver noted that the atmosphere seems to be improving so it might be better to move now while it is. He noted that they recognized in their Act 557 Plan that storage will be needed.

Mr. Hornung noted that it would take \$88 million to do a total replacement for Beaver Creek, and he questioned what the estimate for Paxton Creek was. Mr. Wendle answered that it was \$75 million. Mr. Wolfe noted that Spring Creek was another \$4 million or \$5 million, and \$4 million for ARA. Mr. Weaver noted that the other part of the spending includes staff and he would address this at a later time. He noted that there is a significant amount of stress in the work at this time for staff, noting that three project managers have quite in the last few months for Liberty Excavators. He noted that the projects are on schedule and the costs are within budget, but we need to get a handle on some issues that will be discussed later in the meeting.

Mr. Hornung noted that he wanted to discuss how much work staff can handle and adding Beaver Creek on top of the Paxton Creek work, would that mean that we would double the amount of work to be done in the future. Mr. Weaver answered yes. Mr. Hornung questioned if DEP could provide some leniency, understanding that there is only so much that you can do at one time. Mr. Weaver noted that it is part of his job to educate DEP since they don't know this unless we explain it to them. He noted that their people sit behind desks and issue permits but they don't know the reality of work. He noted that he will try to make them aware of the reality of all the work. Mr. Hornung noted that he is concerned with the allocation of money from the standpoint of the ability to be able to control the projects and to pay for it. He questioned if it is too much to commit to at this time, and to tell DEP that, and see what happens. Mr. Wendle noted that it would be the subject of renegotiation, noting that Lower Paxton Township's plan is the first long-term plan that DEP approved. He noted when he went back to the CAP and suggested another 20-year program but they tried to shrink it. He noted that Lee McDonald, the regional person, stated that he did not want another 15 or 20 year plan, he wanted ten years. He explained that he told them that they could not do it in that time, but if the Board was looking for

a longer time period, he could approach DEP with that request. Mr. Shannon noted that first five years was established by spending the money that wouldn't be spent on the wet weather treatment plant. Mr. Weaver noted that Swatara Township Authority reminded him that the Lower Paxton Township Authority has not done much work in a long time and they have lost their patience with the Authority. He noted that they have been very good and cooperated and the agreements are going very smoothly, and DEP has recognized that the Authority has not done anything either. He noted that it is a lot of money but the only thing going against the Authority is that we haven't done any work in Beaver Creek. Mr. Hornung noted that the Authority front-loaded Paxton Creek; and he questioned if we could back off of Paxton Creek and push the effort to Beaver Creek. Mr. Wolfe noted that one point of discussion with DEP is the fact that we are doing a significant I&I program, but in Paxton Creek it doesn't matter since we have a combined system at the end of the pipe and until that combined system fixed, all the work upstream makes no difference. He noted that DEP has to recognize that. Mr. Wendle noted that the difficulty is that they want the Authority to do a second consent decree that put things under a schedule and we could shift some of the work to Beaver Creek until they fix the problem in Paxton Creek. Mr. Wolfe noted that they may not be able to fix the problem at any time in the near future since the City of Harrisburg can't borrow money to do it. Mr. Hornung questioned if it is a possibility to back off the Paxton Creek work. Mr. Wolfe answered that it is possible and he could suggested it to them at tomorrow's meeting. He noted that we could present a plan for what we are willing to do as long as the problem at the end of the pipe is also being addressed. He noted if that does not happen, then the Authority does not want to move forward as aggressively until it is. Mr. Weaver noted that negotiations occur when both parties have something to give, and the Authority had nothing to give.

Mr. Hornung noted that Lower Paxton Township is one of the premier entitles doing I&I in the State of Pennsylvania and we seem to be continually punished for it. He noted that we were able to get the 20-year plan and that was some movement on DEP's part. He questioned what everyone else is doing. He questioned why the Township can't revert back to what everyone else is doing. He noted that there are permit allocations and consent decree but we are setting a precedent for everyone, showing the people how to do it and spending the money. He suggested that there has to be some point that we can negotiate with them. Mr. Wolfe noted that it took the Authority over two and a half years of litigation and negotiation to get to this point in

the mid 1990's. He noted that there is more than just DEP involved in this as it also involves Swatara Township, City of Harrisburg, and developer petitioners. He noted that changing this rather quickly will not happen. Mr. Hornung noted that we are spending more money on sewers than any other Township in the State. Mr. Wolfe noted that Allegheny County is spending billions, and we are not the only one, but we are certainly in the forefront and DEP recognizes that. He suggested that DEP does not understand what they are asking us and others to do since they have never done it as they are only regulators and not implementers. He noted that he could suggest to them that we will have problems with the time frame for the work. He suggested that Beaver Creek is becoming problematic for a number of reasons and the best out is how the Township has spent \$25 million in Paxton Creek for the past five years. He noted that there is still a combined system that backs up and the Susquehanna River is still polluted. Mr. Wendle noted since the Township is renegotiating an amendment, the second amendment to the second consent decree, maybe we could try to negotiate a longer time frame for Paxton Creek and push Beaver Creek. He noted that we had discussions with DEP about the City and they recognized the fact that they have an issue, but they haven't told the Township what they will do with it. He suggested that we need to get an answer from them on that. Mr. Seeds noted that we are unable to build the wet weather treatment plant and things have changed and maybe they will open it up for further discussion.

Mr. Crissman suggested that DEP probably does not have a plan for what they will do with the City of Harrisburg. Mr. Weaver agreed. He noted that we were very creative in coming up with a plan. He noted that they originally wanted new pipe conditions, and now we are down to surcharge conditions. He noted it is a large chunk of money but it is still only a percentage per year and when you have a system that is only supposed to last for 50 years, is a 20-year plan reasonable. He noted that it is a little too quick and suggested that 30 or 40 years might be more reasonable. He noted for DEP to move that far it might happen if we had something to negotiate with. He noted that they have Chapter 94 regulations, and an Act 537 regulation that they have to enforce. Mr. Hornung noted that he would love to explain to the citizens what DEP is forcing the Township to do in spending money and let the citizens decide what they want to do.

Mr. Hawk questioned where we can squeeze enough to make our expenditure of money make an impact because no one else is doing it or at least not enough. Mr. Wendle questioned if this was because of the City of Harrisburg. Mr. Hawk answered yes. Mr. Wendle noted that

Susquehanna and Lower Paxton Townships are about even in terms of the gallons per EDU, over their allocation but the problem is when the Paxton Creek rises, it starts backing up at 99 mgd. He noted that it is a problem for both Townships. Mr. Hawk noted that the City of Harrisburg doesn't have any money to fix anything.

Mr. Wendle questioned, in the second consent decree, there are penalties for overflows, so much a day if the treatment plant was not built, but is there a penalty if you don't maintain the schedule. Mr. Stine answered that there are certain milestones that he recalled that if you don't meet them, the per day penalty per overflow is somewhere in the area of \$2,000 a day. Mr. Weaver noted that we are currently paying half of \$750 for overflows, but Mr. Stine is talking about milestones on the schedule. Mr. Hornung questioned what the current rate of payment for overflows is. Mr. Weaver answered that we are paying \$375 for the overflows and the other half for a CEP project. He noted that some events are excused. He suggested that we spend \$40,000 per year for overflows and it is a budgeted item.

*Review of Proposed Construction Specification Modifications for
Paving, construction sequence, and equipment storage*

Mr. Weaver noted staff has held discussions regarding how the Earl Drive and Creek Drive issues can be handled for future contracts. He noted that this would concern deep sewers where the Authority has experienced greater costs to pay the contractor for excessively wider trenches. He noted that CET provided a proposal in the packet to provide for additional pave width in the specification upfront based upon the depth of the sewer line. He noted that there have been many complaints about traffic and the storage of materials, yard restoration, and restoration in general. He noted that the Authority is very liberal with the contractors as to how much work they can do and how many crews they can have. He noted that through the process, staff has learned that both staff and the community is taxed to the limit. He noted that Susquehanna Township provides for a different bid process to do a one street at a time bid document that we believe would be an appropriate revision for the Authorities program. He noted when you do one street at a time; it reduces the amount of staff needed, and the number of complaints, but provides for an increase in costs. He noted that Mr. Wendle provided a spreadsheet from one of the bids that Susquehanna Township did showing a 2.7% or 3% adjustment for this provision, however; the good news is that the estimate of project costs has

this increase included in the estimate. He noted that we could still achieve our goal of meeting our program costs. He noted that he was looking for feedback from the Board to see if it would be interested in considering this recommendation. He noted that staff is finding it increasing harder to do five or six crews at a time over 100-home span. He noted that this style provides for much more road construction and restoration as well. He noted that the new proposal would require the contractor to do one street at a time, have everything done to include the temporary paving, all the sewers complete for the main and private sewers before moving on to the next street. Mr. Seeds questioned if it would slow the process and take longer to get done. Mr. Wendle noted that the first time that it was done in Susquehanna Township, it ranged from zero to a 3% increase for the contract. Mr. Wendle noted that you could speed up the process a little by doing two streets. Mr. Hornung noted that it would be dependent on the size of the street, questioning how you define a street. Mr. Wendle answered that the contract would cover the street, and that is how the specification is written. He noted that Ronca has done this type of work in Susquehanna Township. He noted that they would have to finish Earl Drive before they moved to the next street. Mr. Wolfe suggested that there would be a maximum linear foot that could be dug up at one time. Mr. Hilson noted that the goal is to stop the contractor from wholesale tearing up the road and then moving to another part of the mini-basin without completing the work at the first street, leaving behind a uncompleted street. Mr. Crissman noted, as a resident, he would much prefer this method.

Mr. Seeds noted that the contractor could bid on more than one project in the Township using this method and not limit themselves to only one project in the Township at a time. Mr. Weaver explained that it is a function of efficiency, noting that Ronca does many streets at a time, and is very efficient at doing mainline work, but then they back off to do the laterals. He noted that other contractors already do the one street at a time method but they move much slower. He noted that the restoration can be a problem when the work is spread out, especially when you experience the wet weather events that occurred this year, pushing back the restoration for the roads and yards. He noted that he is proposing a drastic change but it can work. Mr. Wolfe questioned what would be the maximum linear foot to be dug up at one time. Mr. Wendle noted that he has not thought about that but it could be done that way. He suggested that you could double the average block for a street. Mr. Hornung noted that you could have one street that has two houses and another street of the same size that has 20 homes. Mr. Wendle noted

that the contractor would get a mainline crew that flips around to become a lateral crew and then move on to the next street regardless of the size.

Mr. Seeds questioned if the street must be completely finished to be paved. Mr. Weaver noted that the temporary paving must be completed before they move on. Mr. Crissman noted that the residents would much prefer this process.

Mr. Weaver noted that there are equipment storage issues that Susquehanna Township has addressed. He noted that they tell the contractor where to store their equipment, but he noted that he does not like that idea as the contractors are better at finding their own sites. He noted that in many cases they are located in areas too long. He suggested that a permit be issued for that activity and they can choose to renew the permit based upon how they are doing or how the residents feel about it. He noted that it would require the contractor to find multiple sites which is another hardship, but it would be part of the specification. Mr. Hornung suggested that the length is not the issue as much as their location. He noted if there was a pre-approval requirement it might provide more control for the Authority. Mr. Weaver noted that everyone states, “not in my backyard”. Mr. Hornung noted that he has learned not to react to all the complaints, noting that sometimes you have to just plow through it. He noted that he does not get many citizens coming into his office yelling at him, noting to them that it is an example of a temporary inconvenience for a permanent improvement. He noted that people need to tolerate the traffic jams until the highway is constructed and there will be complaints. He noted that he does not want to approve increasing the bids costs, noting that it is not acceptable. He noted for \$50 million, a 3% increase is a significant amount of money. He noted that he would be more amenable to a 1% increase for a linear foot bid. He noted that the Authority is doing a great job and he would not want to tweak the bids too much. He noted if you dig up someone’s front yard, you will get a complaint. Mr. Seeds noted that the 3% increase is not acceptable but some of the problems with where the contractors have staged their equipment concern the fact that the roads are nothing but dust and the people are not happy with that. Mr. Weaver noted that he mainly receives dust and noise complaints. He suggested that he could bid the jobs with an alternate to see the difference in the two bids. Mr. Wendle suggested that they could pick some zones within a mini-basin, instructing the contractor to complete one area before they start another area. He noted that it would at least keep the contractor in one area.

Mr. Seeds questioned the agreement with DEP for the CAP and would they allow the Authority to line concrete pipes. Mr. Weaver answered that there is no requirement for lining. Mr. Wendle noted that all ACP pipe is to be replaced, and in the Beaver Creek CAP the language he used was that there would be no question if the Authority chose to line in the future. He noted that he would consider making the argument that lining is replacement. Mr. Seeds noted that the Authority has not lined concrete pipes in the Paxton Creek basin to this point. Mr. Wendle noted only the selected ones that we had to. Mr. Seeds questioned if Mr. Wendle would argue that lining is replacement. Mr. Wendle answered yes. Mr. Weaver noted that we are lining more than we would like to. Mr. Wendle noted that he anticipated doing dig-up replacement but at some point you can't do it due to utility conflicts. Mr. Seeds noted that after some experience with lining, the Authority is getting some results and the causation factor for the failures. Mr. Weaver suggested that we do not have that much history and it is not localized where it could be metered. He noted that he would like to line everything because it would be 30% cheaper to do it, but it is not equivalent at this time. He noted that it would speed up the program, reduce the costs and make everyone happy but he felt that we are not there yet.

Review of Alternatives for the utility conflicts in the
PC1A/1C Mini-basin

Mr. Weaver noted that there are certain situations where lining is the only option, such as the work on Colonial Road. He noted that there is a 16 inch water main that United Water is concerned of hitting resulting in a spill of over 2.5 million gallons of water onto the road. He noted that he Mr. Hilson and CET worked out a design to provide for a good fix for lining. He noted that the original cost was \$99,000; however the new cost to line was \$62,000, so there is a significant savings to solve the problem. He noted that another area of conflicts is the fiber optic's problem, noting that he is meeting with Mr. Stine and the One-Call personnel. He noted that Focus Fiber is the installer and they have been installing facilities for the past year and half and there is very little guideline as to what the Township requires. He noted that the biggest problem is that they provide no design for their work, noting that the One-Call requires a ten-day design. He noted that he needs clarification on what that means as they are ignoring the provision, and creating a big hardship for the Authority as there are different costs involved. He noted that they installed a line a few weeks ago as part of the PC1A/1C project in the area of the entrance to the Colonial Golf Club. He noted that the fiber optic lines traverse over the sewer

line. He noted that Liberty Excavators is complaining that it is an example of an unforeseen condition as it is not located on the plan causing a change order.

Mr. Seeds questioned who coordinates all the work, the Public Utility Commission (PUC). Mr. Weaver noted that they are regulated by the PUC, and he is not sure who coordinates the right-of-ways for utilities. He noted that they must get a permit, but there are no guidelines. He noted that DEP has guidelines for water lines and utility lines that an engineer must follow when designing a sewer. He noted that the One-Call states that you can't locate within 18 inches and he is not sure what the Authority can go back on as they did not provide a design. Mr. Wendle suggested that it is a Township issue. He explained that this occurred within the State right-of-way, however, the Township issues permits for tunneling and boring. He noted that the ordinance states that they must comply with the conditions of the permit, but he is not sure what conditions you can put on them. He noted that he is ready to bid PC2D and Fiber Focus secured a permit from the Township yesterday and will start installing fiber optics in the area where the sewer needs to be installed. He noted that they plan to come up Laporte and Larue Streets right next to the sewer so it will increase the cost of replacing the sewer since they have to deal with a fiber optic line. He noted that they tunnel the wire and in some cases install it on top of the sewer lines. He noted that he did not know what could be done through Township ordinances to restrict their work and to stay away from the sewer lines. He noted at one point they drilled through a manhole.

Mr. Seeds noted that you will have to have someone enforce a new ordinance and know where everything is. Mr. Weaver noted that Public Works Department is working in conjunction with Community Planning Department to issue their permits; however there are no guidelines for the utilities so he is providing this information to determine what the Township can do to create an ordinance for the streets under Township control. He noted that it would provide for more efficiency in the initial design area. He noted that no one in the past has undertaken the size of the project that we are doing now and he needs to find a way to mitigate the utility conflicts.

Update on the recent flooding and basement backups

Mr. Weaver noted that we had 5.5 inches of rain in the garage rain gage and recorded 6.5 inches at the Gale Drive pump station. He noted that it occurred over a few hours and staff was called out at 3 a.m. until noon investigating all the basement backups to determine if it was a

sewage or water issue. He noted that this storm caused some significant staff demands and there were 14 confirmed complaints and one added tonight. He noted that he submitted those to the insurance carrier and there is only \$10,000 left in coverage. He noted that there was a \$25,000 limit for voluntary coverage for sewer back-up. Mr. Seeds questioned what voluntary coverage is. Mr. Weaver explained that if it is determined that the sewage back up is legitimate, then they will play the claim. Mr. Seeds noted that Mr. Weaver had mentioned the sanitary sewer overflows earlier, but the date on the paperwork states 3/8/08. Mr. Weaver noted that it should be 8/8/11. Mr. Weaver noted that he anticipates that DEP will waive the overflows as they waived the event in April. He noted that this is the most basement backups that he experienced since 1996 when there were 100 incidents.

Mr. Seeds noted that for the insurance claims, they are listed as the 1st event through 5th event. He questioned what is meant by that. Mr. Weaver noted that staff has recorded every event that was submitted to the Sewer Department to roughly 1995. Mr. Wolfe explained that it is the number of times that a property owner filed a complaint. Mr. Weaver noted that this is the first time that he has reported the basement backups to the Board members. He noted that is how the insurance company looks at a situation in terms of liability. He noted if it is a first event then they will probably say there is no liability. He noted for second events with prior notice it would depend on what they will say since it was a 100-year storm.

Mr. Weaver noted that Mr. Wendle provided a memo and agreement to be signed by Swatara Township for Beaver Creek and Hummelstown. He suggested that STA will be done with the plant by the end of August so the ban on all the permits that was created by all of this flooding that had started in April should be released. He noted that he has not received many complaints from the developers because he met with them before the ban was put in place and they got their permit applications at that time.

Mr. Wendle noted if you review PENNDOT's tables for this area, the 100-year storm event that fell within a six-hour period was 4.89 inches. He noted that there was 5.5 inches in one location and 6.5 in another location and that would be in excess of a 100-year storm. Mr. Weaver noted that these storms appear to be happening more often and it is some concern. He suggested that we have had roughly fifteen 100-year storms since he started to work for the Authority. Mr. Wendle noted that it is a misnomer to say that it would occur once every 100 years, it means that

it is a 1% probability that it would occur in that year. Mr. Blain noted that depending on the tracking of the Hurricane, the area may experience another event this weekend.

Public meeting for the PC-1G/IH Mini-basin

Mr. Weaver explained that staff has a meeting scheduled for tomorrow night with 360 residents from the Forest Hills Development. He noted that the meeting will be held at 7 p.m. at the St. Thomas Room at the Linglestown Fire Hall. He noted that he will conduct a typical public meeting to inform the people what they are doing with the sewer replacement project. He noted that the project was moved up and Mr. Hilson is doing the specifications internally and he will present it to the homeowner's tomorrow night. He noted that he will conduct an air-testing program first and use the failed list for replacement.

Mr. Seeds questioned if the Engineer's Report would soon release the moratorium. Mr. Wendle answered, given the capacities of the new Swatara Treatment Plant; there is a need to change to a maximum month flow as opposed to the annual average event. He noted that he provided new language to them that they seemed to be okay with and he wants it to be included in the inter-municipal agreement. He explained that they indicated at the last meeting that they would do it by letter. He noted that they want to do a new agreement since so many things have changed since 1985. He noted that they did not want to hold up this understanding and they will have the Engineer's Committee do it by letter and get Hummelstown to sign on. He noted that it would have different criteria for how you would determine if you are over your amount which would be over your maximum amount two months out of any year as opposed to two consecutive months. He noted at 85% you would be given a warning. He noted that it peak is so far over what the worst months have been that he does not anticipate any problems in the near future.

Mr. Hawk explained that he wished more people would be present to hear what the Authority is doing and how it is trying to get a handle on the entire problem, noting that it is a very complex situation. He questioned how you can provide for every possible contingency and how you could provide for a 5.9 Richter scale Earthquake. He noted that you can't envision everything that will befall the population. He suggested that the Authority is doing a great job. He noted that discussion needs to be held in regards to how the City of Harrisburg fits into the overall problem and how they will solve their issues with no revenues.

Mr. Shannon noted that since the last meeting in February, PC-2C/2D has been put on hold until it has been determined how the bid specifications may change for future projects. He noted that they would be ready to move forward on this one in the next month. He noted that SC-1E has been submitted for permits, and BC6 has been preliminarily designed. He noted that most of the issues concern construction problems.

Solicitor's Report

Mr. Stine noted he had nothing to report.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 8:24 p.m.

Respectfully submitted,

Maureen A. Heberle
Recording Secretary

Approved by:

Gary A. Crissman
Authority Secretary