

**LOWER PAXTON TOWNSHIP
AUTHORITY MEETING**

Minutes of Township Authority Meeting held August 28, 2012

The meeting of the Lower Paxton Township Authority was called to order at 6:30 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, and David B. Blain. Also in attendance were William Weaver, Jim Wetzell, and Mark Hilson, Lower Paxton Township Authority, Jody Reese and Kevin Shannon, CET Engineers; and Ted Robertson and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Hawk suspended the recitation of the Pledge of Allegiance to the Flag.

Approval of Minutes

Mr. Seeds made a motion to approve the minutes of the July 10, 2012 business meeting. Mr. Hawk seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Public Comment

No public comments were presented.

Board Members' Comments

No comments were presented.

New Business

Action on Change Order #4 for the PC3B/BC1A Contract for
final adjustments on contract quantities
and
Action on Change Order #7 for the ARA Contract for final
adjustments on contract quantities

Mr. Shannon explained that both change orders are final adjusting changes that were processed for the Authority contracts. He noted that Change Order #4 is for Rogele's contract for PC3B/BC1A to adjust the final quantities to agree with what was built, resulting in a net

decrease of \$71,655.50. He noted that Change Order #7 is a decrease of \$509,847.98 with N. Abbonizio Contractors, Inc. for the ARA mini-basin project. He noted that this is the result of the contractor not being able to do a lot of the dig replacement that was in the original design, resulting in the lining of many sewers, and the pipe bursting under Interstate 83.

Mr. Shannon noted that he has the final paperwork for Rogele's contract and there are a few items to finish with the Abbonizio contract.

Mr. Seeds made a motion to approve Change Order #4 with Rogele, Inc. for a decrease of \$71,655.50 for the PC-3B/BC1A mini-basin project, and Change Order #7 with N. Abbonizio Contractors for a decrease of \$509,847.98 for the ARA Mini basin project. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Approval of the Second Amendment to the Second Consent Decree

Mr. Weaver noted that a new consent decree was drafted by the Department of Environmental Protection (DEP) following the Authorities request to amend the consent order to allow for the new Beaver Creek Corrective Action Plan. He noted that any language that referenced the Wet Weather Treatment facility was also removed. He explained that he, along with Mr. Wendle from CET, and Mr. Stine, along with members from the Swatara Township Authority met with DEP to come up with this agreement.

Mr. Seeds questioned Mr. Weaver if he was happy with the agreement. Mr. Weaver answered yes. Mr. Seeds questioned if Mr. Stine is fine with it. Mr. Weaver answered yes noting that Mr. Stine and Mr. Wendle were unable to attend this meeting and they both recommend the approval of this amendment.

Mr. Weaver noted that the only item that was amended was the removal of the language for the trickling filter, the addition of the Beaver Creek Corrective Action Plan, and new language that Swatara Township wanted for permitting. He explained that every March 31st, the Authority must send a letter to the Swatara Township Authority (STA) requesting new permits. He noted that STA wanted it based upon flows, so language was created that Mr. Wendle was comfortable with that could show a reduction of flows to get the permits. He noted, in the interim, until this agreement is approved, and also approved by the other Boards, he will not be able to show a reduction of flows, therefore, there is language to provide for permits as long as we are on schedule with the Corrective Action Plan (CAP).

Mr. Hornung questioned why the Authority agreed with STA's suggestion of having to show the flows in order to get permits. Mr. Weaver answered that it is typical for what DEP

normally does. He noted that it makes sense that we should show some results from the CAP. He noted that he would have no problem with showing what the results will be for the CAP work in the mini-basins.

Mr. Seeds noted that was part of the original agreement and suggested that DEP wanted all to buy into everything from day one.

Mr. Weaver noted when it comes to issues with STA's plant; DEP takes a hand off approach, asks what STA wants from the Lower Paxton Township Authority (LPTA) and lets us work it out. He noted that DEP doesn't get involved in that part of the deal. Mr. Seeds noted that DEP want STA and LPTA to be in agreement. Mr. Weaver noted that is correct.

Mr. Hornung noted, in the past, we have negotiated issues, but he wanted to know why we conceded to that. He questioned what would happen if something goes wrong and the flows reduction doesn't occur or if there is a major break. He noted that we have a plan that we are very confident about but there are no guarantees. Mr. Weaver noted that we are very confident of the action plan but he could revisit that issue. He questioned what could go wrong as the mini-basin program is working very well. He noted that Mr. Wendle was confident that there is enough wiggle room even if something did go wrong...Mr. Hornung noted if we remove enough flow to get 25 permits in the first year, in order to get 25 permits the next year, do we have to reduce an additional amount of flow. Mr. Weaver answered yes. Mr. Hornung questioned what happens if we only use ten of the permits in the first year, do we lose the 15 permits. Mr. Weaver answered yes; they do not accumulate from one year to the next. Mr. Hornung questioned in order to get 25 permits does the Authority have to reduce a certain number of gallons of flow to earn the next 25 permits in the following year. He noted if we only use five permits that year, in order to get 25 permits for the third year do we again have to meet a certain benchmark. He noted that we should be getting a credit for the permits we earn each year and not lose them. Mr. Weaver noted that we get one permit for every two EDU's eliminated. Mr. Weaver noted if we don't use the permit there is no allowance for carryover.

Mr. Hornung noted if we take out 50 EDU's and are issued 25 permits and don't use one of those permits, do we have to take another 50 EDU's to get 25 permits for that year. He noted that the Authority should receive a credit for the unused permits. He noted in the second year, if he used none in the first year, they go away, and the second year he should have a credit of 25 EDU's that he did not use. Mr. Weaver questioned Mr. Hornung if he wants him to go back to discuss this issue further. Mr. Hornung answered yes. He noted that right now there is no

problem as we are picking the “low hanging fruit”, and we can get a ton of water out of the system, however, when we get to the “higher hanging fruit”, and if the economy turns around and everyone wants permits, it may be a problem. He noted that we would have no permits left over from all the EDU’s credit that we earned. He noted we could reach a point where the Authority is only removing 20 EDU’s as it is so expensive to reduce the flow and we will only get ten permits. He noted that he is not happy with this.

Mr. Wolfe questioned with the negotiations with DEP, was it assumed that the permits would expire and written that way or did they specifically required them to expire at the end of the term. He noted if the issuance of permits is based upon performance, and we perform, then we should have those permits to use. Mr. Seeds noted that we have talked about this over the years noting that they never allowed us to accumulate the permits but we should be able to do that. Mr. Hornung noted that it was different then because it wasn’t based upon EDU’s, it was based on what we were doing.

Mr. Weaver suggested that the rebuttal will be what does it matter if you don’t have permits, you are not using them, what are you accumulating them for because you won’t need them. Mr. Seeds noted that we are hoping that the economy will improve and development will occur. Mr. Weaver noted that we could ask for an increase. Mr. Hornung noted that he does not want to have to ask, we earned them, and we should have them.

Mr. Wolfe questioned what would occur if we don’t take action tonight. Mr. Weaver noted that he has been pushing this as he wants to get rid of the package plant, and he would like to do that by the end of the year, so we can accumulate permits for the treatment plant. He noted, in ten years we were supposed to remove the package plant, but because the economy is not turning around very quickly, we now have time to accumulate lots of permits. He noted that we need to accumulate 515 permits for the package plant to go away and we are not using approximately 70 each year, so it will only takes us 77 years. Mr. Seeds stated that you are not allowed to accumulate the permits. Mr. Weaver explained that there is a provision in the agreement to accumulate them for the package plant. Mr. Hornung noted that it is totally different from what we were talking about before.

Mr. Weaver noted that Section F does provide that LPTA and STA meet to come to an agreement on permits. He noted that it does not state that permits can’t be increased; however what Mr. Hornung is saying is that we don’t want to have to ask them and we want the permits

that we have earned to be able to accumulate. Mr. Hornung noted that it makes sense that if we meet the performance standard; we should keep the permits and not lose them each year.

Mr. Weaver noted that he needs to look at the language in the agreement better in that it may not state that the permits expire, but it has always been understood that they do. He noted that we can carry over the permits to September 1st... Mr. Wolfe noted that we carryover the permits from the Developer Petitioners to turn back from September 1st through June 30th and then they expire. He noted that the Paxton Creek Mini-basin is the only place in which the permits don't expire.

Mr. Seeds noted that the original consent order has a package treatment plant as a ten year deal, and we now own it. He questioned what happened to those ten years. Mr. Weaver answered that we took it over in 2002 and it has been ten years that we have had it. He noted that DeSouza had it since 1995. Mr. Seeds questioned if we can continue it indefinitely. Mr. Weaver noted that DEP and STA want it gone as well. He noted that it should be done within ten years from the date of this new order. Mr. Seeds questioned if the operating condition for the plant is in good shape. He questioned if Mr. Weaver was concerned about what it would cost down the road. Mr. Weaver answered that we don't design plants that way. He explained, if CET was to design a plant for long term they would not do it that way. He noted that the building is not safe. Mr. Wolfe noted that it will eventually need to be replaced, and you don't want to replace it when you can connect with Swatara Authority Treatment Plant.

Mr. Hornung noted that he remembers Mr. Wendle telling him that at some point, we will need a treatment plant. Mr. Wolfe noted that now we are talking more like storage. He noted that the emphasis now is on the two regional plants, the City of Harrisburg and Swatara Treatment Plant. Mr. Weaver noted that they are willing to increase their capacity as part of the entire process, noting that we have a significant amount of capacity at the Swatara Authority Treatment Plant, especially once we redo the agreements.

Mr. Weaver noted that he will bring this back to the Board at a later meetings. He noted that both boards must approve this agreement; therefore the Township would approve it first.

Mr. Robertson questioned what the net increase was for the new plan versus the old stormwater pumping station. Mr. Weaver answered that it was never finally determined, as we did not do an upgrade of the costs for the wet weather plant because it was never approved legally. He noted that there were so many changes made from the original plan to the final plan and no final costs were ever determined. He suggested that it might be \$30 million to \$90

million. Mr. Robertson questioned if that was a decrease. He questioned what the net increase for this change would be. Mr. Wolfe questioned if that would be going from the Wet Weather Treatment Plant (WWTP) to a mini-basin plan. Mr. Weaver noted that CET's estimated cost was around \$75 million for the Beaver Creek Plan and the original plan for the WWTP was \$25 tot \$30 million but there was an annual maintenance cost to replace sewers over time, so it could equal the same amount over 20 years. He noted that we never did a total cost, but he suggested that they are probably equal and in the long run, the new plan will save money because you are replacing the system. Mr. Wolfe noted that the purpose of the WWTP wasn't to do it cheaper; it was to solve the overflow problem immediately.

Review of the Draft 2013 Authority Budget

Mr. Weaver noted that staff and CET prepared the draft 2013 Authority Budget. He noted for the sewer rentals the budget is shown at the current rate which is \$120 per quarter. Mr. Hornung noted that it looks like it decreased by \$100,000. Mr. Weaver explained that he was conservative in his estimation since the economy has not improved yet. He noted that it is based upon the past four years of sewer rentals, fluctuating between \$11,800,000. Mr. Blain questioned if you just took an average of the past four years or did you weigh it more based upon the current year versus taking an average and basically taking 25% for the last four years and averaging it. He questioned if the next year's numbers should be more reflective of what occurred for this year versus just averaging the past four years. Mr. Weaver noted that he could do that if you would like him to do that. He noted that he was a little more conservative and backed the numbers off. Mr. Blain noted that he agrees with Mr. Hornung that it doesn't make sense that your number would go down.

Mr. Weaver noted that staff has a really good handle on the residential revenues since they won't change since they would continue to get a bill unless they disconnect their sewer. He noted that we don't get people coming in and asking to have their sewer service cut off. He noted that the Authority has 14,900 residential customers, so staff has a good estimate for this income. He noted that the EDU's for commercial use are uncertain. He explained that he can't predict how much commercial use there will be. He explained that he could make it more however, if in 2013 we are at \$11,700,000 that is what he budgeted. He noted that he could adjust it if the Board wants him to do so. Mr. Blain answered that is okay with the number used. He noted that he would be cautious at just using a four-year average as he does not know if it is reflective of what the number should be. Mr. Weaver noted that he could raise it to \$11,900,000.

Mr. Blain noted that you should weight 50% of the number on last year's number and take the other 50% and weight it on the other three years and use that number. He suggested that it might be a little higher and more reflective of what it would be. Mr. Weaver noted that he could do that.

Mr. Weaver noted that the bad news involves the interest income for the bond money as it was really bad. He noted that it was not even close to what was projected, and other than that nothing has changed in revenues. He noted that the total revenues projected for 2013 is \$13,044,262.

Mr. Seeds questioned if anyone wanted to implement a rate increase for sanitary sewer. He questioned if the Authority would have to raise the rates next year \$10 per quarter and the following year another \$10 per quarter. He questioned if it would be better to raise it \$5 in 2013 then having to increase it to \$10. Mr. Weaver answered that Ms. Reese will go over the rate increase when he is done reviewing the expenses.

Mr. Weaver noted, for expenses, the management reimbursement has increased for 2013 as LPTA hired an additional employee, an inspector to work the Beaver Creek Corrective Action Plan. He noted that there continues to be a significant shortfall of inspectors and he will look into possibly using other engineering firms if CET cannot supply the extra inspectors. He noted that a new inspector will be needed in the future as two employees will be retiring in 2014. He noted that there are no new expenses of any value to review.

Mr. Weaver noted that it is very difficult to prepare a budget for the transmission costs without having the numbers from the City of Harrisburg. He noted that staff has met with the City of Harrisburg's Receiver to discuss what will occur over the next few months for setting the rate. He noted that future meetings will be held on this issue and he is using the rate suggested by special counsel, however, he would like to see a more significant reduction in the rate. He noted that he would like to have further discussions with the special counsel as he fears that for all the funds provided to the City, the Authority will not be able to get any back if it is determined that we overpaid. He noted that the budget was reduced by \$400,000 as it used to be \$3.1 million, and we budgeted for \$2.7 million. He noted that the Swatara Township Authority transmission fee is \$1.6 million, a slight increase due to the upgrade, although he has not received their budget yet. He noted that it is all draft at this time subject to change when those numbers are received. He noted that the only change for the debt service is that the principal for the PENNVEST loan was due and it is a significant increase noting that LPTA has to pay

\$530,660 in 2013. He explained that he did not pay anything towards the PENNVEST in 2012 until July 1st. He explained that LPTA has two more pay applications to make before receiving the rest of the money. He noted that it leaves the 2013 expenditures at \$12,933,312, resulting in a surplus for 2013.

Mr. Weaver noted that he wanted to review the Capital Improvement Plan under the I& I Program.

Mr. Seeds questioned if the potential purchase of the Hummelstown Capacity is included in the budget and what the status is for that. Mr. Weaver answered yes, noting that Swatara Township and Hummelstown were not comfortable with doing the transfer because we could not monitor the flows from Hummelstown. He noted that there are some back up flow issues, but now that the new pump station is up and running, Swatara is confident that we can determine what the flows are coming from Hummelstown during a wet weather event. He noted that Hummelstown was afraid that they would sell their capacity and then have a problem. He stated that we feel that we can monitor the flows in 2013 and come to the conclusion that Hummelstown does not have high flows and then we should be able to buy that capacity.

Mr. Weaver noted that Mr. Wendle will explain this in more detail at the next meeting and also the costs for the Oakhurst Interceptor. Mr. Seeds questioned if the \$1.3 million includes not doing the interceptor improvements other than installing the new pipe that would eliminate the need for the interceptor. Mr. Weaver explained that it is two projects, noting that the funds include the total Paxton Creek Improvements and Mr. Hilson is working with CET to design the Forest Hills Interceptor. He noted that the sewer is undersized, and it includes the Forest Hills work as well.

Mr. Weaver noted that he has listed the 900 accounts for all mini-basin projects and everything on the schedule is reflected in the budget. He noted that PC-1G project for \$2.6 million was recently awarded to Mike F. Ronca and Sons for the Forest Hills project. Mr. Seeds noted that it costs \$10,000 per EDU. Mr. Weaver noted that is what we pay for all the projects. He explained that he separated the projects but it is actually all included in the same bid as he wanted to track each of the mini-basin costs to ensure there is very little fluctuation.

Mr. Hornung questioned if the \$10,000 per EDU is what the Authority normally pays, per household, to do the testing, digging and fixing. Mr. Weaver answered that is for replacement and testing as the repair of the PVC pipe is much less, usually about \$3,000 to \$4,000 per EDU. He noted that this was a unique situation due to the utility conflicts and the community and

landscaping that forced the costs to go much higher. Mr. Seeds noted that it takes 20 years to get that money back. Mr. Hornung questioned if you would be doing all 268 homes. Mr. Weaver answered that we test everyone. Mr. Hilson noted that it does not mean that every house fails. He suggested that some may pass, and he did not think that the Authority would be replacing the entire building sewer at that location. He noted that some sewer lines were inaccessible. Mr. Seeds questioned if \$10,000 is the average. Mr. Hilson suggested that it would not be that much and he did not think that we would use all the quantity that was included in the bid. He noted, once we start the project, do some testing, and feel our way through it. He noted that you can't treat it as a typical replacement and digging project for each house. He noted that with the amount of improvements, it is comparable to putting sewer through someone's living room. He noted that there is a lot of money invested in these lots in landscaping making it a unique situation; however he does not think we will be spending all the money awarded for this project. Mr. Weaver noted that Mr. Shannon has gone over the final adjusting change order and typically we are decreasing the rate and not increasing. He noted that the past history shows that we did not spend the full amount.

Mr. Hilson noted that there is \$1.2 million in paving, curb, and sidewalk so it can fluctuate a lot.

Mr. Hornung questioned how the community meeting went with the residents. Mr. Hilson answered that it went well. Mr. Blain noted that you recently had a meeting with residents. Mr. Weaver noted that that meeting was held at the Calvary United Methodist Church for BC6. He explained that it is a \$3.2 million project and will be the largest job in next year. Mr. Hornung noted that someone came in and questioned him about it and he told him that he has two choices, either you pay or we pay. Mr. Weaver noted that the big issue is the hold harmless provision, trying to figure how to remove it but Mr. Stine does not want to do that. Mr. Wolfe noted that the Sewer Authority has met with thousands of people and he questioned how they do it, as there is rarely a complaint that goes beyond these gentlemen.

Mr. Weaver noted for the draft budget, all these projects are based upon estimated dig costs. He noted that it is based upon historical averages.

Mr. Seeds questioned if Beaver Creek is a two-year project and that is why he has 50% listed in the budget. Mr. Weaver answered yes. He noted that there are a lot of houses and it will take a long time for replacement. Mr. Seeds questioned if it was a \$6 million project. Mr. Weaver answered yes. He noted that once staff gets more easements signed, they will be ready to

bid it in a couple of weeks. He noted that the subtotal for the 900 accounts is \$12,295,300 and the total to include the interceptor is \$14,799,300.

Mr. Weaver noted that the Board requested that CET show a long range rate projection for what the spending should look like. He noted that it was prepared knowing that there would be a surplus at the end of 2012 and also in 2013. He noted with that in mind, he took the liberty of preparing the budget with no rate increase. He explained that staff is making an assumption for the 2012 surplus, that it will be reimbursed by Swatara Township, for over \$570,000 for the flood damage, noting that it was related to a FEMA program where STA paid for the damages up front with the expectation that FEMA would reimburse the costs. He noted since we are on the accrual basis, we are accruing the money from 2012; therefore for 2012 the Authority is showing a surplus of \$953,000, although it hasn't received the money yet. He noted that he feels comfortable enough about getting those funds to show it.

Proposed Sewer Rates

Ms. Reese noted that the chart was put together from the previously established criteria of keeping a minimum of \$4.5 to \$6 million as a cash reserve and increasing the rates by no more than \$10 per quarter for an annual rate increase. She noted in doing this, the biggest challenge is that we don't know what will happen with the City of Harrisburg. She noted within the next year she hopes to know more what the Harrisburg user rates will be. She explained that she anticipates that the City will have to start buying nutrients credits prior to upgrading the treatment plant. She noted that this has been worked into the equation as well with what we know at this time. She noted that staff tried to be conservative and looked at additional borrowing for more projects in 2016, as staff feels comfortable for keeping the rate at \$120 for next year. She noted that rate increases are anticipated after that no higher than \$10 per quarter on an annual basis. She explained that the gray areas at the bottom of the page were proposals from previous years and it shows that by being careful with spending, staff has been able to keep the rates down than from what was originally projected in the past.

Mr. Seeds noted that the big jump comes in 2016. He noted that in increases are at \$5 up to that point. Mr. Blain noted that it is a \$10 jump in 2016, a 7.5% increase. Mr. Weaver noted that we would be catching up for a large bond issue that would be made in 2016, a \$40 million bond to continue the Beaver Creek/Paxton Creek projects. He noted that there will be an increased debt service at that time, noting that the subtotal for the debt service is \$6.9 million. He noted that staff does not need to raise the rates as quickly as it thought it would have to because it

had a change in the removal of the WWTP, moving to a Beaver Creek Corrective Action Plan. He noted that this caused a delay of a year. He noted that Mr. Smida stated that all those bond funds slated for the WWTP must be under contract by the end of 2014. He noted that the money has not been spent yet, noting a \$6 million surplus at the end of 2013. He noted that costs are down and the bids are coming in at 2006 rates due to the economy. He noted when Mr. Wendle put together the original budget it was based on higher numbers. Mr. Wolfe noted that Mr. Weaver has capitalized on the economies of scale because when the projects were scheduled in 2005 they were small mini-basins, and now we are bidding two, three or four at a time, so there are several factors involved in this. He noted that Mr. Weaver showed him an analysis in that we are getting eight-year old rates. He noted that Mr. Wendle supported not increasing rates in 2013. He noted that he expects to prepare a budget for final approval with some adjustments, but unless there is any concern for what was presented he does not anticipate a rate increase.

Mr. Blain noted that you are saying that the rate would remain \$120 for 2013 with no increase in rate. Mr. Weaver answered yes, noting that the Authority will be able to have a balanced budget. He noted that that includes the \$4.5 to \$6 million surplus for cash which is what is showing. Ms. Reese noted that it is actually over \$7 million. Mr. Blain noted well done.

Mr. Hornung noted that fiscally, to smooth out the increases, would it make more sense to provide for an increase every year to project out to 2018, ending up with a lesser amount of an increase down the road. Mr. Blain noted when you go from \$130 to \$140 it is a 7.5% increase. Mr. Seeds noted if we increase it by \$5 each year we could avoid the \$10 increase down the road. Ms. Reese noted that she could look at running those numbers. Mr. Blain suggested if we have a cash surplus of over \$5 million it would be hard to justify the rates. He noted that \$7.5 million in surplus is a good amount. Mr. Hawk noted that you only hit the surplus of \$5 million in 2017. Mr. Hornung noted that at the same time we are borrowing money at the rate of \$10 million per year. He noted that we could use some of the cash reserve and not borrow as much money or pay down a loan. He noted that we are living on borrowed money. Mr. Seeds noted that even though we have a surplus we have a lot of debt. Mr. Hornung noted that we should pay down our debt a little earlier. Mr. Blain noted that we will always have debt and this is a forever project. Mr. Hornung noted that we will, but we are living on debt and consuming debt. Mr. Hawk noted that Mr. Blain's point is that it will never go away. Mr. Hornung noted that the \$7 million is a false number because we could pay some debt down or not borrow as much money. Mr. Weaver noted that you could make the \$7 million go away because you don't have trust

measures and you are not required to keep any cash, however he does not recommend it. Mr. Hawk suggested that it is a psychological question as to which way you want to go. Mr. Hornung noted you should keep enough money for cash flow purposes and with the rest, pay your loan down and borrow less money.

Mr. Weaver questioned if you want to change the Board's direction from before when you wanted to keep \$4.5 to \$6 million in reserve. Mr. Blain noted that he does not agree with that. He noted that it makes sense to keep a level debt structure throughout, as you will always have debt for these projects as we have over 200 miles of sewer pipe to replace and in 50 years we will have to do it all over again. He questioned why you would not want to keep level debt across the board to allow for excess cash, noting that you should not pay your debt down with the excess cash as you will use it for projects in the future anyways. Mr. Hornung questioned why not use it for a project now. Mr. Blain noted if you go ahead and do that it would be because the construction costs are down. Mr. Weaver noted that the only thing LPTA uses the cash for are for items that we can't capitalize. He noted that the bond money goes to the capital improvement plan so the cash would be used for things that Mr. Smida would state are not capitalized items for the treatment plant.

Mr. Hawk noted that he likes to keep a cash reserve for contingencies. He noted that it is great to be out of debt but... Mr. Hornung noted that he understands that but now we are sitting with \$31 million in the bank that we could draw on for something if it was legitimate, so it is not like we don't have some cash reserves if something came up. He noted that you would use the cash reserves for operational items as you are not allowed to use the PLGIT funds for that. He noted that the Authority has a lot of money sitting in the bank. He noted that in the past, people looked at that money and thought we have tons of money and we don't because we have tons of debt. He noted it depends on how they look at that figure. He noted that your negotiating terms with certain entities becomes compromised because of how much we have in savings. Mr. Blain questioned why you would want to raise rates because if you raise it \$5 you are putting it into the savings account and you raised your amount even higher. Mr. Hornung noted that you could use those funds and not draw from your \$31 million; instead of having to borrow another \$30 million in 2016. Mr. Wolfe noted that the \$31 million are bond funds that must be spent within a five-year period. Mr. Hornung noted in 2013, the Authority is \$64,000 in the hole and in 2014 it is \$378,979 and in 2015 it is \$404,296. He noted that the other option would be when you borrow the next round of \$30 million to wait six months and use some of the reserve before you borrow.

Mr. Weaver noted he only provided one option for this meeting and normally that does not occur. He noted that Mr. Wendle is not present but he was looking at a preliminary budget to see if the Board would be okay with showing a budget that does not show a rate increase for next year. He noted that during the next meeting, Mr. Wendle will be present and will provide more options to look at. Mr. Blain noted that we will have to approve the budget at that meeting. Mr. Weaver noted that he is looking for direction, questioning if you want to move the cash number down. Mr. Hornung noted that he really doesn't care. He noted that everyone knows that the rate will increase by \$5. Mr. Blain noted that he wants to make sure that we keep level debt service payments in the budget and that it does not go all over the place. He noted if we don't raise rates in 2013, and then there is a \$10 rate increase in the future, it would be better to keep level debt service for our payments. He noted that you will always have debt because the projects will never stop unless there is a new technology that will provide for pipe that would last 300 years.

Mr. Weaver noted that he will provide more options for the next meeting. Mr. Hornung noted that we are told that the current pipe will last for 50 years but they don't have any experience with it to say that it might last 100 years. He noted that it might provide for a longer service value than expected.

Ms. Reese noted that the biggest challenge is that Mr. Wendle has numbers for the City of Harrisburg but he has no idea what they will actually be. He noted that is why he was very hesitant to provide different alternatives. He suggested that within the next year he may have better numbers and feel more comfortable in making a rate projection.

Review of Delinquent Account Collection proposals

Mr. Weaver noted that Ms. Fasolt prepared this with Ms. Knoll, to show the delinquent account review.

Mr. Weaver suggested that the problem is a combination of things... Mr. Blain questioned who is collecting the delinquent accounts for the Authority. Mr. Weaver answered that Attorney Gary Imblum is the current collection agent. Mr. Blain questioned if we need to use a different collection agent. Mr. Weaver noted that is why he is presenting a recommendation for this. He noted that staff interviewed two collection agents, and staff recommends using the current provider for both Susquehanna and Swatara Townships. He noted that this firm has more to offer and works on many more claims and Susquehanna and Swatara Townships are very happy with their work.

Mr. Weaver explained that Modern Recovery Solutions has a fee schedule, using a flat fee of 25% and they are willing to do the Authority work for 20%. He noted if the Board chooses Modern Recovery Solutions as the provider he would do a resolution similar to the one that was adopted for Mr. Imblum. He suggested that it would provide for more options for collections. He explained that in the past, staff either filed a lien or went after the claim. He explained that the firm that we interviewed for the job has a different approach with many different collection techniques. He noted that they do many things behind the scenes that he never heard of before. Mr. Wolfe noted that the collection past efforts have been to wait six months and then have the attorney write letters and file a lien. He noted if you talk to a collection agency, they will tell you if you don't get them in the first 30 to 90 days, you won't get it. He noted that municipalities have not been concerned about that in the past because they were able to file a lien. He noted that it can take 20 to 30 years to satisfy a lien and there is no way to get the money when you need it. He suggested that it would be a better practice to start to go after the persons who are delinquent 30 to 90 days, using multiple contacts, and being able to do research on people's credit, the ability to file a credit report, do skip tracing, all the things that we don't do that we should be doing.

Mr. Seeds questioned what the 400% ROI guaranteed. Mr. Wolfe answered that it is return on investment. Mr. Weaver noted that the firm does not get any money until they collect it.

Mr. Hawk suggested if we collected our outstanding debt, we could pay down the debt payments. Mr. Hornung noted that it is going up by \$100,000 a year. Mr. Weaver noted that we have raised the rates over the past five years so that represents some of the total. Mr. Wolfe noted that we never had an abandoned property list before, but now we have 130 to 140 abandoned properties in the Township. Mr. Hornung noted that there are probably many more than that.

Mr. Weaver noted that the Township could also use the services as well for municipal liens and collection for costs for services such as cutting grass.

Mr. Weaver noted that the Sewer Department staff provided him with two other spread sheets and Mr. Imblum currently has \$343,000 in collections with 207 accounts and staff is working on 287 accounts totally over \$246,000. He noted that he was seeking input from the Board for how they felt about Modern Recovery Solutions. Mr. Blain answered that it is great idea. He noted that we should be using a professional collection agency to do this work and he did not know why he didn't think about this before. Mr. Hornung noted that the Board took a soft

approach to things in the past it was working. He questioned if we would ever get any money for the abandoned homes sometime soon. Mr. Weaver explained as long as the Authority files a lien, we will get the funds eventually.

Mr. Hornung noted that this will be a tough nut to crack with the abandoned homes, roughly about \$30,000. Mr. Weaver explained that much of the funds are old debt. He noted that Mr. Imblum had a lot of old cases, and the economy is not great as people are laid off their jobs.

Mr. Weaver questioned if the Board wanted to interview the firm or would they be prepared to act on a resolution.

Mr. Hornung noted that he did not care to meet them. Mr. Weaver noted that he would prepare a Township resolution to hire Modern Recovery Solutions.

Township Reports

Review of request for grinder pump at 6124 Locust Street

Mr. Weaver explained that a resident along Locust Street has experienced backups and wants a grinder installed to prohibit further backups. He noted that the memo from Mr. Wetzel explains a need to install sanitary sewer along this property, looking at different options. He noted that Mr. Wendle's recommendation, the Attorney's recommendation, and the insurance company's recommendation is to do nothing as we have no liability. He noted that these backups occurred during an event that was excused by DEP.

Mr. Seeds noted that the dates in the memo state September 7, 2012, and he questioned if it should be 2011. Mr. Wetzel agreed that it should be 2011. Kim McKelvey and Natalie Damrauer explained that they are the owners of the property located at 6124 Locust Street.

Mr. Wetzel noted that the homeowners came to the Board meeting held last August with a complaint about sewage backing up into their home during the flooding events. He noted at Mr. Hornung's request the Authority took a look at the situation to determine if it could come up with a solution for their problem. He noted that they contacted David Leroy Plumbing, Inc. who came up with a solution for a Waback Backwater valve that would stay open under normal use but if the flow backed in from the mainline, it would push the valve up, seal it and not allow water to back into the house. He noted that the valve could be installed in the ground or through a manhole to make it easily accessible. He noted that staff is not really happy with using a valve as they have been know to malfunction. He noted that G. F. Bowman Plumbing and Heating, and Air Conditioning was contacted and they proposed installing an inside pit to dispose their sewage into it to pump it out into the sanitary sewer. He noted that he and Mr. Hilson looked at

it and questioned if they could guarantee that it will not back through their line and come out into the facilities on the first floor. He questioned if the pump would push the sewage up into the house as a result of the backflow. He explained that they could not provide that guarantee. Mr. Hilson explained that he was afraid that it would transfer the problem from the basement to the first floor.

Mr. Hilson noted that the only other solution that has worked in the past has been a grinder pump. Mr. Wetzel noted that he contacted G. F. Bowman and Lenker Plumbing for prices, and met with the homeowners to determine where they would like to locate the grinder pump. He noted that the estimate provided by G. F. Bowman was for \$10,873.00. He noted that Mr. Weaver stated that the Authority would have to get Board approval to do this since it is a private property building sewer lateral that typically the Township is not responsible for. He noted that it would have to be maintained by the homeowners. He explained that sewage backed up during the flood events however, it is the only two times the property owners had sewage in their home. He noted that the homeowners feel that it is not their problem but the Township's problem and they want us to take care of the problem.

Mr. Wetzel explained that the Authority checked the main lines to ensure that there were no blockages in those lines and found it to be okay. He noted that staff pulled the clean out cap to the sewer lateral and noticed that there was water lying in the pipe. He explained that we televised the line back to the street and to the house to determine if there were any problems, and we found a minor offset joint. He explained, at some point, the line was replaced as it was originally cast iron, and now it is PVC pipe. He noted that the area of the connections is a slight bit offset, and has a slight belly that allows water to lie in the line. He explained that he did not think it was causing the backup although it may have helped.

Mr. Seeds questioned if the home is at the bottom of the street. Mr. Wetzel answered that it is located at the low end of the street. Mr. Seeds questioned if a grinder pump would help other than acting like a check valve to stop it from back flows. Mr. Weaver explained that the grinder pump would do two things; stop the backup and provide continued service, the valve would stop the flow from coming in but then you would have no sewer service. Mr. Wetzel noted with the check valve the homeowner would have no service until the flow goes back down. Mr. Seeds noted if the sewer backs up you won't have any service anyway. He questioned if it is a basin that we will be working on. Mr. Weaver answered yes in a couple of years, within the 2012 to 2017 projects. Mr. Seeds questioned if when the basin is corrected, would that eliminate

the need for the grinder pump. Mr. Weaver answered that based upon Authority results the property owners will definitely not need it. He noted that the program is working. Mr. Seeds questioned if the grinder pump would remain even after the basin work is completed. Mr. Wolfe noted that you would remove it. He noted that these people have gotten sewage in their basement only twice over how many years. He noted that a grinder pump would solve the problem but it runs all the time and he questioned if a valve would be better and cheaper. He noted the only fear that he has is that if the Authority installs a grinder pump then there could be another ten to fifteen people who will request one. Mr. Seeds questioned if the grinder pump would stop the sewage from backing into their home. Mr. Wetzel answered that it would work as it pumps it out. Mr. Hornung noted that it might pump it into someone else's basement. Mr. Hilson noted that the problem could move from one home to another. Mr. Wetzel noted that we have a line that is laying flat that has a sag in it and it needs to be corrected before you install a grinder pump and pump water into it. Mr. Weaver suggested installing a holding tank because the overflow has only occurred twice in 30 years so it may not happen again for another 20 years, but if it did happen they would have a holding tank they could use for a couple of days and then switch back. He noted that Mr. Hilson pointed out that they would have a distribution system and someone would have to maintain it and what would happen if the property owners are not home to flip the valve.

Mr. Hornung noted that the sewage came out of a floor drain, two floor drains. He questioned if floor drains were to be part of a sewer system. Mr. Weaver answered that it is legal. Mr. Hornung questioned if there is a way to plug it up to let water down but not allow water to come up. Mr. Weaver answered that we plugged the drains but they blew out. Mr. Wetzel noted that Mr. Hornung questioned if you could eliminate the basement service, but the property owners have a sink that the washer machine pumps water into. He noted that they don't desire to eliminate the basement service.

Mr. Hornung questioned if the sewer line is lower than the concrete floor for the basement by say a foot, could you install a pit and put a valve in it to shut down the line. He noted that they would not have any sewer service but if they knew they were having a problem they would put the valve in. Mr. Weaver questioned if there was a way to segregate the downstairs service from the upstairs service. Mr. Wetzel answered no as it all goes down through the concrete floor, however, there is also a separate line that goes out above the floor that takes all the upstairs plumbing, noting that one goes through the wall and the other goes under the slab

and they both connect. Mr. Hornung noted that you could shut down the downstairs and continue to use the upstairs as it is another eight or nine feet of pipe that the sewage would have to back up in in order to reach the upstairs. Mr. Wetzel noted that the distance from the line going out through the wall to the upstairs is only about five feet. Mr. Hornung noted that the drain overflowed in the basement floor. Mr. Weaver questioned if you want to take a chance that nothing would overflow out onto the first floor. Mr. Hornung questioned if it back flowed up through the sink drain. Ms. Damrauer answered no. Mr. Hornung noted there is two feet that it did not back up into, and this was a one in 500 year storm and in less than five years the problem will be corrected. Mr. Weaver noted that it would be five years until the first two phases for that area are completed. Mr. Hornung noted that even if it was ten years, you could have a temporary fix until the basin work is completed within ten years. He noted that it does not justify a grinder pump, rather the use of a valve. Mr. Weaver agreed. He noted that the frequency is so minimal that you need to look at the risk/benefit/cost ratio. He noted that the risk is very low so it doesn't justify a high cost. He noted that the benefit is huge but the risk is very low. .

Mr. Seeds questioned how they will know to shut off the valve in the basement. Mr. Wetzel noted that is the problem. He noted that they could be on vacation or away from the house. Mr. Hornung noted that the flow valve could be installed in the floor drain from the basement and it would provide for a different kind of flow composite than if it was for the entire house. He noted that the washer machine water would be pretty clean. Mr. Wetzel noted that the problem with that is that the separate line for the drain to the basement goes out under a deck and it connects to the other line before you would be able to isolate the two lines. Mr. Hornung questioned if you could get to it from the basement. Mr. Hilson questioned if there was room in the slab under to cut a hole and install a valve with a cover on it. It was noted that this has been done before. Mr. Weaver asked what would happen if the homeowners forgot to shut the valve. Mr. Seeds noted that the check valve could be put in the basement.

Ms. Damrauer noted if the problem is cost, she would be willing to share the cost. Mr. Seeds noted that a grinder pump can cost a lot in electricity. Ms. Damrauer noted that she wants no more sewage in her basement.

Mr. Hornung noted that the cost benefit to him would be installing a check valve because in ten years the problem would be solved for good, however, if the homeowner wants something more secure, and they are willing to pay for it then he would share the costs. Ms. Damrauer noted that we don't even know if we will be alive in ten years. She noted that this has occurred

three times, with the first occurring because the Sewer Authority had a manhole open; they ballooned it and then went to lunch. It was noted that it occurred a long time ago. She noted that we took care of those costs to fix her basement.

Mr. Weaver noted that the Authority can't do anything as the Board must take the action and it is delicate issue in that the engineer and solicitor would recommend that you don't do anything.

Mr. Hornung noted that we have a moral obligation to solve the problem as we ignored the problem in the past. He noted that when people pay a certain rate for sewage and we can't provide the service that they are paying for, as a business when you pay for something and you don't get it you either get money back or something else. He noted whether we are legally bound or not, if we can pull it off, he wants to do it. Mr. Weaver noted that it would be good if we could reach an agreement that the Board is comfortable splitting the costs. Mr. Hornung noted that he is comfortable with it, however he wants the check valve and they want the grinder pump. Ms. Damrauer noted that she would be happy with whatever works as she does not want the sewage to come back into her home.

Mr. Weaver stated that he would get some cost estimates for the check valve and the grinder pump costs and have some more discussion with the owners and come back to the Board with the information. Mr. Hornung noted that he is willing to pay for a check valve but if they want a grinder pump which is a greater guarantee and a greater cost, then go for it. He noted if Ms. Damrauer is willing to pay for it that is fine but he is only willing to pay for the check valve. Ms. Damrauer noted that she maybe willing to pay the difference.

Update on current mini-basin construction projects

Mr. Hilson noted that he took some pictures of the Catherine Street project that is in the wetlands showing the operation that was set up to begin the construction process. He noted that the contractor installed timber mats that serve as a platform for the excavator to sit on when they are doing their excavation. He noted the one vehicle used is a track vehicle designed not to sink into the wetland which is allowed by permit to run without the timber mat. He noted that the silt fence was installed for the entire length of the wetlands, about 1,500 feet. He noted that there are stone outlets at the silt fence to allow water to flow through. He explained that they considered stripping the top soil from the area prior to entering the wetland but there was foot of water over the top soil so it was not possible to do that. He explained that the disturbance is limited per permit and he is working the site from one end. He noted that the property owner at the other

end provided temporary and limited permission to come across his lot to eliminate some of the trips to speed up the process.

Mr. Hilson noted that the unsuitable materials are stockpiled to the side which will come out through Mr. Pierce's front yard. He noted that he received a complaint from the two residents at the far end of the construction site on Catherine Street who stated that we were tracking across the top layer of the wetlands and it would never be the same as we are compacting it and it has turned to mud. He noted that they questioned what would be done to rectify it. He noted that all activities are governed by the permit and we are going to strip the top layer of soil out of there with the root mass seeds and wetland plants. He noted that it will be done as we transfer the sewer as it is a requirement of the permit. He noted that we are confident that it will grow and we will have nutrients and there will be seeds and root matter in there and plenty of water.

Mr. Hilson noted that the contractor installed an orange safety fence along Mr. Pierce's property. He noted that the manhole is a complicated one in that it is a four-way manhole meaning one out pipe and three in pipes. He noted that we are connecting to various types of pipe all outside of one manhole.

Mr. Hilson noted that the pipe will be laid from the timber mats and after the operation the backfill will be finished. Mr. Hornung questioned how bad the pipes were. Mr. Hilson answered that it is a little too early to tell. He explained that he wanted to know how much flow was coming out of the pipes when he bypassed the pump and it was found that not much was coming out. He noted when they excavated the site; it was so sloppy that everything got filled back in. He noted as we get our first couple pipe runs in we will have a much better idea, noting that he was expecting to remove a lot of water from that area. He noted that the ground water was a foot over the level of the ground.

Mr. Hilson explained that most of Catherine Street is completed as well as the area around the school, North Mountain Road in the vicinity of the school, and the area of the Turkey Hill.

Mr. Seeds questioned if they are done with detours for Mountain Road, noting that he was hoping that it would be done before the start of the school year. Mr. Hilson answered that they are done with the mini-basin PC-2C but there is a little bit of Mountain Road work to the north and also some in PC-2D in Larue Street in the area of Koons Park. He noted that there was a contract requirement that they finish that section before the start of school noting that Mountain

Road will be overlaid for the trench restorations. He noted that Handwerk, the subcontractor, will do the work on a school in-service day or at night.

Mr. Hornung noted that the Central Dauphin School District appeared to clean up the basin in the area. Mr. Wolfe noted that they are being sued over that basin.

Mr. Hilson noted that the project is currently on schedule.

Mr. Weaver noted that staff will be starting SC-1E in a few weeks and Ronca will be starting the Forest Hills Area in a couple of months. He noted that Doli Construction is doing some prep work before bringing in a mainline construction crew.

DEP's Annual Meeting

Mr. Weaver explained that he met with the Department of Environmental Protection (DEP) last week for the annual meeting and it went very well. He noted that we had the four graphs that showed that the flows are dropping in the mini-basins providing for good results. He noted that Mr. Wendle wanted to bring up the Actiflow discussion and it went really well, noting that Ed Corriveau stated that he would be willing to talk about it. He noted that the Authority has a lot of backups in basements that they will allow us to install pipes for overflows into the stream. Mr. Hornung questioned if it could be done for the Locust Street address. Mr. Hilson answered that the solution is to pick a manhole, to lower the water level in an area. He noted instead of it going willy-nilly out people's back doors, we could install an overflow box and actually monitor it and provide DEP with the data. Mr. Hornung noted that he liked that idea. Mr. Seeds noted that we would still have to pay a fine if we deposit into a stream. Mr. Hornung noted that you would pay a fine anyway. Mr. Weaver noted that popping manholes sometimes help but ultimately we have to lower the flows.

Mr. Weaver noted he attended the Pennsylvania Municipal Authority (PMA) today, only to find that Lee MacDonald was promoted to the Central Office. He explained that he used to be the person who worked with the Authority at the regional office and when he asked him about the Actiflow he said that it would not happen because we are not a Combined Sewer Overflow (CSO). He noted that Lower Paxton Township is the poster child and DEP is going around the State telling people to call us since we are replacing the sewers and it is the greatest thing. He noted that Mr. MacDonald also told Mr. Shannon that storage should not be used. He noted that Mr. Wendle's idea is to solve the City of Harrisburg and Lower Paxton Township's problems at the same time as the City backups into our system. He noted that we would call ourselves a CSO and put an Actiflow plant at the site that we are discussing with Susquehanna Township in place

of storage or a combination of both. He noted that he is hoping the Mr. Wendle can convince Mr. MacDonald to allow us to do this.

Mr. Seeds noted that some things are beyond Lower Paxton Township's control and the report mentioned the limited section of the Valley Road interceptor as it exits in the Township for manhole 105 and 105-1 that is designed to carry 1.5 million MGD. He questioned if it was bigger than that. He noted that beyond that area in Susquehanna Township it stated that it was 10.5 million MGD. Mr. Weaver noted that the total flow is designed to convey 10 million MGD and there is a section of pipe between Valley Road and the interceptor... he noted that he would ask Mr. Wendle about this. He noted that Mr. Whittle from CET discovered, that during extreme events, that the City is backing up our system and we suspect that the Paxton Creek is flooding into the sewer but we found out that there have been some flood control measures that could have been done at Wildwood Lake that would allow a gate to open to have water go directly to the river. Mr. Seeds questioned if the gate functions. Mr. Weaver answered that we don't know as the City Engineer who was designing and bidding the project left but he has also heard rumors that it was completed so he needs to find out what the status is for this. He noted that we have significant issues due to this situation and the people in Carrolton Estates are getting sewer backups and he believes it is as a result of the City issue. Mr. Hornung noted that the gate that he saw opens on a hinge and it would open when it gets a flow. Mr. Weaver noted that the flood control measure is to get water directly to the river so the Paxton Creek does not flood. He noted when the Paxton Creek floods it gets into the CSO. Mr. Hornung noted that they had a 6x6 gate on a hinge, made of concrete and when the sewers backed up, you did not open or close it, the flow would open it and it was heavy enough that it would close itself. Mr. Weaver noted that if it is the CSO that is correct. He noted that he is talking about Wildwood Lake. He noted that the treatment plant upgrades were discussed as well as the collection system. He noted that we will have many more meetings with the City to nail down these issues.

Engineer's Report

Mr. Shannon noted that Mr. Weaver provided an update for the Annual Meeting with DEP. He noted on page one, in spite of all the wet weather events the past year the number of overflow impacts in Paxton Creek has been significantly reduced over the last five to ten year period. He noted that we are down to four events from 18.

Mr. Shannon noted that CET is focusing on getting ready to bid is BC-6, to provide final plans for review by the end of next week, which entails the area south of Route 22 including much of Houcks Road and Prince Street.

Mr. Weaver noted that the biggest complaints are not with the sanitary sewer system but storm sewer. He noted that Mr. Hilson is inundated with storm sewer issues. Mr. Hilson noted that it is storm restoration and traffic control. Mr. Blain noted that we are fully aware of this issue.

Mr. Shannon noted that CET did a lot of close out work for the past two years. He noted that the BC-6 is a \$4 million job and the Forest Hills Interceptor is the next project he will get to Mr. Hilson to review. He noted that CET is working on the Beaver Creek basins. He noted that the Gale Drive mini-basins have been advanced due to the need to reduce the flows from Gale Drive in conjunctions with constructing the interceptor extension into Susquehanna Township and getting rid of the pump station. He noted that the Linglestown Road construction that was to occur in 2014 is to be moved up to March of 2013. He explained that he just discovered this Friday morning and he feels that he can get this project out to bid very quickly. Mr. Seeds questioned if Blackberry Alley will also be completed. Mr. Weaver answered no explaining that it is part of Ronca's PC2C-2D project. Mr. Seeds questioned when they will start that project. Mr. Hilson noted that it is scheduled to start August of 2013, with only a few months worth of work.

Mr. Shannon noted that he had four to six other jobs on the drawing board that he has submitting permit applications for over the past weeks. He noted that he is very busy with design work for the upcoming projects. He noted that developer activity has picked up slightly this year. He noted that a PENNVEST reimbursement application should be submitted the end of next week to include all the inspection numbers and after that, we will have one small one when we close out all the rest of the projects.

Mr. Seeds noted that the sewer line was oversized on purpose for the new Bishop McDevitt High School in case of future development. He questioned if it was done. Mr. Weaver answered yes. Mr. Seeds questioned how much could develop in that area. Mr. Weaver answered that it is a tiny area. Mr. Seeds noted that we asked them to oversize the pipe. Mr. Shannon noted that we did not ask them to oversize the pipe, rather to move it down along the stream to allow others to tie into it. Mr. Weaver noted that the school reserved the right to negotiate an easement in the future.

Mr. Seeds noted for Tropical Storm Lee, which occurred on September 6 through 8th, 2011, the Authority did not apply for an exemption. Mr. Weaver noted that we did not have to apply, it was just given. Mr. Wolfe noted that Tropical Storm Lee was declared a State of Emergency for this part of the State so it is an automatic exemption. Mr. Seeds questioned if we paid any fines. Mr. Weaver answered no.

Mr. Weaver noted that he along with CET and Mr. Wolfe will meet with Mr. Stine and Mr. Wendle in regards to a dispute with Ronca on a change order request that was denied. He noted that it was for shredding topsoil, noting that Ronca is upset because we gave Liberty Excavators a change order for the really good topsoil. He noted that it was very good and you could see how the lawns performed when we used the other topsoil. He noted that Ronca is claiming that their topsoil is equal to it and wants compensation. He noted that we believe that they don't deserve it. He noted that he will get back to the Board on this for a determination.

Mr. Seeds noted in the report that the second flood event occurred during Tropical Storm Lee between September 6th and 8th, 2011, and although the Authority did not apply for an exemption, it is arguable that it would qualify for an excused wet weather event since it was State-wide. Mr. Weaver noted that we don't want to use it in our goals for what we have to meet, as CET uses a sophisticated metering analysis, and we didn't want to have to use that data point in an extreme event but as an excused event which it was.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Hornung seconded the motion, and the meeting adjourned at 6:07 p.m.

Respectfully submitted,

Maureen A. Heberle
Recording Secretary

Approved by:

David B. Blain
Assistant Authority Secretary