

**LOWER PAXTON TOWNSHIP  
AUTHORITY MEETING**

Minutes of Township Authority Meeting held November 10, 2014

A regular meeting of the Lower Paxton Township Authority was called to order at 6:05 p.m. by Chairman William C. Seeds, Sr., on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Authority members present in addition to Mr. Seeds were: William L. Hornung, Gary A. Crissman, Robin Lindsey, and Justin Eby. Also in attendance were William Weaver, Authority Director, Mark Hilson, Authority Engineer; Jeff Wendle and Kevin Shannon, GHD; Steve Stine, Authority Solicitor; and Watson Fisher, SWAN.

**Pledge of Allegiance**

Mr. Crissman led in the recitation of the Pledge of Allegiance to the Flag.

**Approval of Minutes**

Mr. Crissman made a motion to approve the October 7, 2014 Authority Board minutes. Ms. Lindsey seconded the motion. Mr. Seeds called for a voice vote and a unanimous vote followed.

**Public Comment**

No comments were provided.

**Board Members' Comment**

No comments were provided

**New Business**

Review of the proposed 2015 GHD Engineering Agreement

Mr. Weaver noted that Mr. Wolfe asked that the GHD Engineering Agreement for 2015 be part of the budget discussions for this evening. He noted that typically it is done in February when the Authority appoints the engineer. He noted that Mr. Wendle was able to provide the 2015 rates and update the service agreement.

Mr. Wendle explained that the proposed agreement is very similar to the prior year's agreement. He noted that last year the Board approved two separate agreements, one for the annual services and one for full-time project representatives to do inspections. He noted that staff requested two full-time inspectors for the 2015 year so he rolled that agreement into Exhibit A-1. He noted that he proposed to continue the retainer at \$27,000 without any increase with a 3.5% increase in rates for GHD support staff. He noted that he listed ranges for each position's rate.

Mr. Seeds questioned if there is anything in particular that Mr. Wendle wanted to cover within the agreement. Mr. Wendle noted that he would be happy to answer any questions.

Ms. Lindsey noted for the project director engineer, it is a sliding fee therefore it could be between \$118 to \$160. She questioned how you determine what the Authority will be charged. Mr. Wendle answered that it is based on years of experience and what the current salary is, he noted that it is a multiplier. He noted that younger staff people would have a lower salary. He noted that he did not bring the existing rates for the staff members that work for the Authority but he is at the upper end and Mr. Shannon's rate for 2015 is \$121. He noted that the people who would typically work on Authority projects would have an average increase of 3.5%. He noted that Mr. Shannon would be the lead.

Ms. Lindsey questioned if the project determines if the younger staff work it or if a season staff works on it. Mr. Wendle answered that GHD provides the best staff to the Authority. Ms. Lindsey noted that we are paying the higher end. Mr. Wendle noted that you are not paying \$160, rather \$121 for Mr. Shannon next year. He noted that he does limited work for the Authority on the day-to-day projects. He noted that GHD provides experienced people to work for the Authority but the tradeoff is that they get the work done faster. He noted that the design fee for the last \$33 million worth of construction costs were only 3.6%. He suggested that is very competitive.

Ms. Lindsey questioned if the contract is year-to-year. Mr. Wendle answered yes.

Mr. Seeds noted that Mr. Wendle included two inspectors full time for 2015. He noted that this year we used four inspectors. Mr. Wendle noted that it was four full time inspectors for the most part.

Ms. Lindsey noted that we had to use HRG in August since GDH did not have enough inspectors for the work. She noted that their fee was much higher than what GDH charges. She

questioned if that happens all the time or did it just occur this year. Mr. Wendle noted that we did not have enough inspectors for this year but next year you only need two inspectors from GHD so he would be able to provide additional inspectors if needed.

Mr. Weaver noted that HRG has been used by the Township for two years, noting that the Township prefers that we use HRG as they have a specialty in that area. He noted that their rate is slightly higher but it is not a service that Mr. Wendle provides where he can dedicate two employees for the entire year for paving. He noted that we only pave during the paving season and they are used for paving inspection only. He noted that HRG specializes in paving inspections and traffic control that supports the program. He noted that Mr. Hilson manages the inspector staff and works with HRG, GHD and Navarro Wright for some milling inspections. Mr. Hilson explained that he uses the Township's professional service agreement with HRG. He explained that it is not full time work, noting that today we used 3 staff from HRG, tomorrow we will use four, and next week we might use one. He noted that it centers on when the paving will be done. He noted that we used them for ADA ramps as it is also a specialty item. He noted that moving forward we may not use them as much as we will not be as busy in 2015. He noted that we were very busy this season and had to draw on them more than usual because there was more paving going on. He noted that we will pave more this week if the weather holds out and we hope to finish all the paving before the plants close on December 12<sup>th</sup>.

Ms. Lindsey questioned Mr. Wendle if his firm does not have anyone who specializes in paving. Mr. Wendle answered that we have people that can do paving inspection but they are not always available noting that we did not have the number of people that Mr. Hilson needed. Ms. Lindsey noted that she questioned Mr. Weaver about the bills that were received from HRG that were very high.

Mr. Weaver questioned if he should get a proposal from Mr. Wendle for paving inspectors. Ms. Lindsey noted that there was such a difference from what GHD was charging and what HRG was charging. Mr. Weaver noted that the GHD can reduce the rate since those employees were dedicated to the Authority for the entire year. He noted for paving you can't do that. He suggested that the rates may be similar to HRG if they supply someone on an as needed basis. Mr. Wendle answered that they would be slightly less depending on who it was but HRG does much more transportation and Township work than we do as GDH concentrates on water and wastewater. He noted that we have people who can do the paving inspection but we don't

have as many available at one time. He noted when the paving season comes, they are paving everywhere and it is hard to cover.

Ms. Lindsey noted that she was concerned that the hourly rate is so much higher. Mr. Wendle noted what Mr. Weaver said was true noting that we were able to arrange with the Township that if you take the people full time we can provide a discount for that rate as you pick them up full time except for holidays and vacations. He noted that he was able to reduce their rate.

Mr. Eby noted if the Authority chose to do a RFP for inspection of paving and ADA ramps, would GHD respond to it. Mr. Wendle answered with respect to ADA ramps we would. He noted that depending on how many inspectors you would need would be the question for if we could respond. He noted if we had to provide five inspectors at one time at a moment's notice, we couldn't do that. Mr. Eby noted that we are working off of a Township agreement to have HRG, but he questioned if we have explored other avenues where a RFP would provide for other rates when we know we will be doing this work. Mr. Weaver noted when he approached Mr. Wolfe for how to proceed with the initial fees, he suggested using HRG since we have a current agreement and receive a 5% discount. He noted that he and Mr. Hilson could put a RFP together for those services if it is the Board's desire. Mr. Eby stated that the Authority is not paying for the paving on its own as the contract is with the Township for HRG. Mr. Weaver answered that everything is contracted through the Township as per the management agreement, the Township manages the Authority under the supervision and control of the Authority. He noted that all the contracts that we do are Township except for Mr. Wendle as he serves as the engineer for the Township and the Authority.

Mr. Crissman noted that he has always appreciated Mr. Wendle's services and what GHD does. He noted as we are approaching budget season we are hunting for the best deals. He noted that GHD's increase for staff was 3.5% but we have been accustomed to dealing with 2% to 3% increases. He questioned why the increase is 3.5% and not 3%. Mr. Wendle answered that we have underpriced our services in the years past and he had to make some salary adjustments in the past year to retain people. He noted when you look at the multipliers and overhead on top of it, the percentages for raises were 3% to 4.5% as his staff had been down for a while. He noted when you attached a multiple on it, it came out to 3.5%.

Mr. Hornung noted that he agrees with Mr. Crissman about the quality of service that GHD provides but we are looking for ways to cut costs. He questioned if the Authority was to make a commitment like we do with the inspectors and engineers would that make a difference. Mr. Wendle noted that it may work out differently since they would be charging you 40 hours a week which we don't do that. He noted that there are part of GHD's services that don't get billed. He noted the retainer service for 2009 was \$20,000 but the amount that could have been billed for 2009 was \$27,000; 2010-\$31,000; 2011- \$39,000; 2012 - \$34,000 and in 2013 when it was raised to \$21,000, the actual spend was \$42,000. He noted that GHD has taken a substantial hit on the retainer. He noted that for 2014 the retainer is \$27,000 and so far we would have billed the Authority \$37,000 and that does not include what GHD has done in the past several weeks. He stated that we will be \$10,000 to \$15,000 over the retainer for 2014. He noted that they have taken a loss for this providing a lot of services for that fee. He noted that typically, they are low and competitive, but he did make some salary adjustments this past year to become more competitive with retaining and hiring personnel.

Mr. Hornung noted that 3.5% was percentage of design fees for projects. Mr. Wendle noted that it ranges but it could be anywhere from 4% to 7%. He noted if it is a small project it could go up to 10%. He noted that he completed an overview for what GHD did for the \$33 million past projects and design and permitting costs ranged 4.9%. He noted that he looked at those numbers to determine if GHD is competitive and he thinks that we are. He noted that we have not had time to mess around noting that we have done so many projects in the past year there has been no dead time for his employees. He noted that is why these numbers are low. He noted in the projects that his staff did for inspection services, the full time inspection average was similar to Authority employees; maybe a couple of dollars higher. He noted that he was provided a number of \$55 per hour for employees' salaries to include overhead and benefits. He explained that he tried to come as close to that for the four employees that he supplied last year. He noted that one employee was \$46 and the maximum amount paid was \$65. He noted that he was in that range provided by staff to keep it equivalent to an Authority employees' rate. He explained that now the Authority won't have to lay off two employees, GHD has to find something for them to do for 2015.

Ms. Lindsey questioned if the total expense for GHD was about \$850,000 this year. Mr. Wendle suggested that it may have been more. Mr. Weaver answered that the total may end up

being slightly higher than that. He noted that it includes the inspector labor when you add four additional people He noted that four inspectors, working full-time for a year must be close to \$400,000 so the actual engineering work would be somewhere around \$500,000 or \$600,000. He noted that he could get that number to Ms. Lindsey for the next meeting. He suggested that it would be close to \$1 million. Mr. Wendle noted that they did \$15 million in construction costs last year, and if you look at design, permitting, construction fee services, and construction observation it would be around 10%.

Ms. Lindsey questioned if GHD had been involved with the sewer projects since the beginning for replacement. Mr. Wendle answered yes. He noted that this is the first of its kind in that they negotiated with DEP to do a 20-year program which they had never done before as an alternative to spreading out the costs without tearing the Township entirely up at one time. He questioned, what would the Township would look like if it had to get all this work done in five years. He noted that it could not have been done in five years and it is a long-term issue.

Ms. Lindsey noted with seven years in we have about 13 more years of work. Mr. Wendle noted that the first consent decree for 20 years started in 2002, was updated in 2007 goes through to 2027. He noted that the Beaver Creek that started last year that goes to 2033.

Mr. Hornung noted that realizing that this is 20 years of work and Mr. Wendle has been involved since what date...Mr. Wendle noted that would be since 1999. Mr. Hornung noted that it has been a good relationship for both the Township and GHD, but he would like Mr. Wendle to keep in mind that, going forward, we need to keep the costs down as you would not want the Authority to go looking for someone else as it creates a lot of trouble for both GHD and the Authority. He noted as the prices get up and closer to the \$90, we have a fiduciary responsibility to the Township to look at ways to keep the prices down. He noted that Mr. Wendle has done a good job in justifying GHD's prices but the Board is always looking. Mr. Wendle noted if you look at what the Township is paying and at our competitors, you will see that our hourly rates are very competitive.

Mr. Eby noted that looking at GHD's rate schedule from what he has seen through his work, they are not alarming to him.

Mr. Hilson noted that before he came to municipal work, he worked as a consultant for 14 years and he found that the rates are competitive and nothing stands out as being out of whack.

Mr. Wendle noted from the retainer side, the Authority is getting a discount as their margins were very low to start with since we know we have to compete in the Central Pennsylvania area. He noted since CET merged with GHD, they have allowed us to do that. He noted that there were some years as CET that the rates did increase 3.5% but that was a while ago. He noted, as the economy is improving a little, he had to make some changes to keep and retain personnel.

Mr. Crissman made a motion to approve the 2015 GHD Engineering Agreement as presented. Mr. Hornung seconded the motion. Mr. Seeds called for a voice vote and a unanimous voted followed.

Mr. Wendle noted that he had one other item that was part of the budget as he mailed a proposal to Mr. Weaver for supplementing his metering services as he does not have enough staff to take care of the meters. He explained that it is included in the budget but he made a separate exhibit for that to mirror what was in the budget. He questioned if that could be signed as well as GHD would be providing some metering services and meters to supplement the Authority.

Mr. Seeds noted that he saw that in the Engineers Report noting that the Authority employees would be metering the permanent meters but GHD would be doing the temporary meters. He suggested that there was a clerical error for who was doing what. Mr. Weaver noted that the budget was prepared with the understanding that staff could not take on all the metering that needed to be installed. He noted that the bi-weekly maintenance for those meters could not be done by staff, so he secured a proposal from GHD. He noted that the proposal for services are normally done in February but this was a last minute item put on the normal engineering services agreement and he only received the proposal today. He noted that it could be approved at the February meeting, but if the Board wishes to approve the budget tonight, he would be able to continue with the metering services in 2015 until the February meeting.

Ms. Lindsey questioned if it would be cheaper to hire an additional Authority employee to help install the meters and read them on a bi-weekly basis. Mr. Weaver answered that he

looked at that but he would prefer to subcontract out items that are temporary in nature. He noted that a long term situation... Ms. Lindsey suggested since the meters would be read bi-weekly and there was not enough help... Mr. Weaver noted that the staff for the Authority has two people and they do all the long-term metering, and are also currently doing the mini-basin installations which creates a lot of work to maintain all those meters. He noted that it was found to be too intensive for staff and he can't have the meters malfunctioning. He noted if you have a storm and have issues, to hire someone for a couple month period wasn't something that he felt would be necessary. Ms. Lindsey noted that you would be using GHD employees as needed. Mr. Weaver answered yes, to do the 17 meters, get the data and they will eventually be pulled. He noted that he will look at what metering concerns we have for the next year for that budget year. He noted that we may need them again in 2016 but we won't know as it is dependent on the amount of wet weather we experience.

#### Action on the 2015 Authority Budget

Mr. Weaver noted that the Board reviewed the preliminary budget during the August meeting and since that time staff has met with GHD and firmed up expenses specifically for the capital fund projects. He noted that there are no changes for sewer rental user charge, leaving the sewer rental at \$125 per quarter. He noted once he completes his presentation for the budget Mr. Wendle will go over the rate schedule. He noted that Mr. Wendle recommended to leave the \$125 per quarter rate for 2015 and all the other items have remained that same providing a total Authority Operating Revenue of \$13,915,451.

Mr. Weaver noted for expenses the only change is that he received the Swatara Township Authority Transmission and Treatment budget that was included in the packet. He noted that there was nothing alarming in that budget. He explained that he has \$1,488,000 in the budget for expense for 2015. He noted if you reviewed the Swatara Budget you may have noticed that their expense is estimated at \$1,600,000. He noted the reason for the decreased amount in the budget is when the Swatara Township Authority (STA) does their audit at the end of the year, since we are on the accrual basis, we get a check in the amount of \$150,000. He noted that he has prepared the budget this way as STA does a good job of operating the plant and he does not anticipate having any issues. He noted that the dryer has had some malfunctions, and they had to landfill their bio solids which is a little bit more expensive.

Mr. Weaver noted that the Harrisburg Transmission and Treatment, now known as Capital Region Water (CRW) annual expense is \$3,147,514. He noted that he has not been involved with the negotiations for the new rate as Mr. Wendle has handled that. He questioned if Mr. Wendle has anything more to add. Mr. Wendle noted that CRW is behind in their obligations in the agreement as they should have had an annual report done by October 1, 2014. He noted that he saw that one that was transmitted to his office today by Attorney Scott Wyland but it does not provide updates for rates other than it recommends that CRW adopt the rates that were recommended by the last cost of services report. He noted that they realize that they are behind and have indicated to Mr. Wyland that most likely the rate will stay at \$3 per thousand but if there is a rate increase it would be very minimal. He noted that his response to the email showed that the cost of services that they project for operations and the fact that they are only paying \$1 million in debt service as opposed to what they originally anticipated that there should be no increase to the Township. He noted that he would argue an increased based on those numbers. He explained that he does not anticipate that there would be an increase. He noted that they are required to have a proposed rate increase to by December 1<sup>st</sup> if there is to be one.

Mr. Seeds noted that CRW is mandated to do a \$30 million improvement to the plant. Mr. Wendle noted that it is underway. Mr. Seeds noted that there will be a cost to the Township. Mr. Wendle noted that it is not in the budget yet, however, CRW borrowed \$42 million this past year, about \$20 million from PENNVEST and \$22 million is a variable rate bond. He explained that he hopes that they will convert that bond into a fixed rate. He noted that he was scared with their securing a variable rate bond, but they are planning on getting it into a fixed rate after they have a couple years of experience. He noted that the debt service for 2015 on those first two borrowings as they are drawing them down is \$1.2 million. Mr. Seeds questioned what percent of the flow we send to CRW. Mr. Wendle answered that the Township's share is about 26%. Mr. Seeds noted that we will be paying 26% of the bond issue. Mr. Wendle noted that they were fortunate to get the bond issue and the current rate is about 3%. Mr. Crissman noted as long as they stay at that rate until it is converted to fixed rate issue.

Mr. Hornung noted that one of the largest increases in prior years for engineering services is \$90,000 to \$109,000. He noted that you budgeted the same amount for last year but you only used \$90,000 and the year before it was less than \$90,000. He questioned why it was budgeted at \$109,000 for 2015. Mr. Weaver noted that the difference is the slow development,

and the engineering costs to review development plans. Mr. Hornung questioned who is doing that. Mr. Weaver answered GHD. He noted anytime a developer submits a set of drawings, he and Mr. Hilson meet with Melissa Smith and staff to work on that. He noted that typically it would cost between \$30,000 to \$40,000 a year but for this past year it was \$25,000. He noted that it could go up next year if we start the Shadebrook project or another developer wants to start their plan to work on final design. Mr. Seeds questioned if Shadebrook will come through with a lot of units in 2015. Mr. Weaver answered no. He noted that Estates of Autumn Oaks is starting a new phase and McNaughton continues to develop. He noted that it is a guessing game as you never know with the developers. Mr. Wendle noted that the number includes the retainer fee, miscellaneous services, and an allowance for the developer services which are reimbursed by the developer. He noted that he has budgeted the amount for that line item but it has not been used so it has been lower for actual. He noted that that it is an in and out line item as part of the revenue reimbursables. Mr. Wendle noted that it shows \$30,000 for escrow reimbursement but it is against what the engineering fees were budgeted as part of that.

Mr. Weaver noted that the debt service did go up slightly noting the 2014 Interest was \$1,048,172. He noted that he has the debt service schedule that was provided by the financial consultant.

Mr. Crissman noted that Mr. Weaver provided Alternative 1 and Alternate 2 and he questioned if Mr. Weaver is asking the Board for guidance or direction or is it just for information purposes. Mr. Weaver answered that he is asking for direction. Mr. Crissman questioned if the Board needs to provide that at tonight's meeting. Mr. Weaver answered yes.

Mr. Weaver stated that he wanted to go through the Capital Budget before discussing the rate schedule.

Mr. Weaver noted that the Capital Budget has been prepared, meeting with staff and the engineer firm to come up with the costs for the projects. He noted that some slight adjustments have been made and they were for the larger accounts. He noted that for PC-G, D, A/B it is a significant expenditure of \$1,650,000 noting that 40% of the construction is allocated for 2015. He noted that the construction has been very slow for this year and will need a time extension.

Mr. Weaver noted BC-3A/B was awarded to R-3 Construction, noting that 80% of the construction will be completed next year noting that they will get about 20% done in the remainder of this year. He noted BC-4A/B/C is \$2,590,000, and it has been slightly delayed for

permitting, but he hopes to get 40% done next year. He noted that is the lions-share of the Capital Budgets. He noted that the total spending for the capital budgets is \$11,104,000.

Ms. Lindsey questioned if staff actually remove the sump pumps as listed in line item 4900-429.69. Mr. Weaver answered yes as per a resolution established by the Board back in 1995 that allows residents to get reimbursed to correctly remove their discharge of the sump pump to the yard that was illegally connected to the sewer. He noted that a Township-wide inspection program conducted using interns from Gannett Fleming and staff in 1995, and since then staff has gone out for every mini-basin and rechecked every house to see if there is a sump pump and if there is one and it is illegal then the Authority provides reimbursement for it to be removed. He noted that the amount was originally \$500 but it was increased to \$800 a few years ago.

Ms. Lindsey questioned if staff has any problems getting access to homes. Mr. Weaver answered no because he has a public meeting to go over the entire project, and the residents are anxious to meet with staff, noting that the part-time secretary at the Sewer Authority attends the meeting and is bombarded with setting up meetings.

Mr. Weaver noted that he would like to have Mr. Wendle go over the rate structure as this time to make sure the Board is comfortable with the quarterly rate of \$125 per quarter.

Mr. Wendle noted that in doing the alternatives he had one year that had a \$20 jump which was against what he was directed to do, so he fixed that revising the two alternatives. He noted that \$125 would maintain the existing rate; noting that he was not able to get the current balance for the sewer fund. He suggested that it is about \$10 million at the end of the year but Ms. Knoll was not able to provide him with the balance as of today. He stated that he looked at what he had last year and saw that we are predicting a \$1.9 million surplus this year and added that to estimate a \$10 million budget starting balance. He noted if the Authority remains at \$125 and does a \$5 increment next year and the year after up to 2020, then you need to increment \$10 per year. He noted if you look at the beginning we are still running behind the pace that was originally projected. He noted that originally we had projected rates to be \$140 this year back in 2009, and in 2010 he projected \$135 and in 2011 he projected \$125. He noted that it is good that we are behind from where we thought we would be in terms of rate increases.

Mr. Wendle noted that it would allow for \$5 increments. He noted that his chart only allows for \$5 or \$10 increments per quarter. He noted if you went lower than that and did it more

often you would be able to realize the same balances. He noted that Alternate 2 shows the rate at \$130 in 2015, noting that you could carry a \$5 increase out another two years into 2022, and then the first \$10 increase would be in 2023. He noted that it would produce \$1 million reserve and using the existing reserves it would get down to \$1 million in 2033. He noted that he has tried to look at the long term taking into account the bond issues, future borrowings that you can anticipate due to future projects, but you are totally covered if you want to maintain the \$125 for 2015.

Mr. Hornung questioned what a \$5 increase amounts to for revenues. He noted that it would be \$20 per year times 25,000 amounting to \$500,000. Mr. Crissman noted in 2023 \$10 won't be enough. He noted that is where the major jump comes in debt service from \$18 million to \$20 million. Mr. Wendle noted that there is a loss there but the reserves at that point are down to \$6 million. He noted that you will have a net deficit but if you look at the estimated cash year end reserves in the 2023 even with the \$1.2 million deficit you would still have a \$6.3 million reserve. Mr. Crissman noted in 2023 we pick up the Series 2021 for \$2.4 million. He noted that the total debt jumps from 2022 to \$18 million to 2023 to \$20 million. Mr. Wendle noted that they are the total expenses. He noted that he provided for a \$10 increase. Mr. Crissman suggested that a \$10 increase will not cover the expenses needed. Mr. Wendle answered that you will have a \$1.2 million shortfall project in 2023, and the surplus decreased by \$1.2 million. He noted that you get a little extra income as we assume new customers between now and then. Mr. Wendle noted that the main difference between the two is you keep a little higher reserve out there at the end without jumping up to \$10 a quarter so fast. He noted that you have adequate reserves to do another year at \$125.

Mr. Weaver noted that he received from Ms. Knoll the reconciled accounts today. Mr. Wendle noted that it is \$10 million. Mr. Weaver noted that is in addition to the \$1.8 million so it totals \$11,812,369.11. He noted that these figures were determined by hand as the Authority is in the process of moving all of its accounts into the new software from Dallas. He noted that the Township work was completed first and the Authority is now being worked on.

Ms. Lindsey questioned if the Authority received many complaints when the rate was raised the last time. Mr. Weaver answered that the past year he did not receive many phone calls but occasionally people write notes on their sewer bill. He noted that he received many phone calls from people when we received the overpayment funds back from the City of Harrisburg,

calling about rates.

Mr. Weaver asked the Board to consider taking action on the 2015 Authority budget as presented. Mr. Crissman noted that the Board has not decided if it wants to stay with \$125 or increase the rate to \$130. He noted that we need to decide that first before we can adopt the budget.

Ms. Lindsey noted that Mr. Wendle suggested that it was okay to keep it at \$125 and we should take his recommendation.

Mr. Seeds noted that it means we will have to increase it much more in future years, noting that we like to have a cushion so we don't have a huge increase.

Mr. Weaver noted that the direction the Board had provided Mr. Wendle a few years ago was to develop these alternatives based on keeping at least \$6 million in the reserve. Mr. Wendle explained that he reduced that to \$1 million. He noted if you want to maintain it at \$6 million you would have to increase it \$10 a quarter regularly. He noted that it was his recommendation to keep a substantial reserve but if we can keep \$1 million and not go crazy with rate increases, one year gets down to \$990,000 with the other alternative getting as low as \$1,370,000. He noted that it is fairly close but keeping it \$125 just means at some point closer in the future you will have to do a \$10 jump. Mr. Crissman suggested that it is easier to do a \$5 jump then do a \$10 jump but it will come long before 2023. Ms. Lindsey noted that the \$10 jump is between 2020 and 2021. Mr. Crissman noted that it will come long before that. Mr. Wendle noted for Alternative 2 it shows the \$10 jump between 2022 and 2023. Mr. Crissman noted that is for the projection, but it actually happens in 2021. He noted that we also have another series of bonds appearing in 2018 and he is not sure with that being introduced at that time if a \$5 jump will be sufficient. He suggested that it would be better to increase to the \$130 rate in 2015 to provide a cushion for the new series of bonds for the overall picture.

Mr. Seeds questioned if we wait until next year and move to \$130 and do a \$5 every year after that, would it provide enough funds. Mr. Wendle answered if you increase it to \$130 next year you would be doing a \$10 jump out between 2020 and 2021 based on these projections, in order to maintain a \$1 million surplus in the early 2030's. He noted if you jumped to \$130 next year you would be able to maintain a \$5 incremental increase out until possibly 2022. He noted that you will have that future reserve. He explained that it sounds like a lot but when you project inflation over the year you are almost keeping up with it.

Mr. Weaver questioned do you want to keep \$6 million as a cash reserve or reduce it. Mr. Seeds questioned if we increased the rate two years ago. Mr. Weaver answered in 2013 the rates were increased to \$125. He noted we were told that we could wait another year but he thought that the rate increase would have to be \$10. Mr. Wendle noted that things started to go up sooner.

Ms. Lindsey noted that she is looking at this in regards to other Township projects that we have on the books. Mr. Seeds noted that there are other considerations Township-wide. Mr. Crissman noted if we introduce other projects we would have to do more borrowing that would push the rate higher. Mr. Crissman noted that he will support going to \$130. He noted with the introduction of bond rates in 2018, if the Township's assumes any more liability if we want to do other projects, we will be introducing another bond earlier than shown. He noted that an increase of \$10 in 2020 to 2021, then we might be more than \$10 at that time.

Mr. Wendle noted if you look at footnote #3, he tried to build in some increases for the City of Harrisburg looking at their debt service starting in 2015 to 2025 of 5.7%, 2.2%, 15.7%, 3.5%, 2%, 2% and 2% He explained that he does not know what it will be but he built in some funds at this time.

Mr. Seeds noted that Mr. Wendle has done a great job in trying to project things that it is a guess rather than a known as you don't have all the hard numbers. Mr. Wendle noted that it is the best that he can do, to look at the program to estimate when the expenses will occur. He noted that he is pleased that they are not as high as he originally thought that they would be by this point.

Mr. Seeds noted that it is a matter of pay now or pay later.

Mr. Weaver noted that the Board provided direction to keep \$6 million in reserve and to guide the table that way; but next year we will have \$11 million in reserve. He noted that is significantly over the \$6 million that the Board would like to keep. He recommend that we request Mr. Wendle to redo the tables showing \$6 million with no increase more than \$5. He noted if you want to raise rates we can do it on the floor and approve the budget that way. He noted that it can be adjusted next year and Mr. Wendle can redo the table based on those adjustments by the Board. Mr. Wendle noted that you won't be able to maintain \$6 million by doing \$5 increments. He noted that there will be a lot of \$10 increments to maintain the \$6 million. He noted that he shows the \$130 thinking that the sense of the Board is to slowly raise

rates rather than introducing large jumps. He noted that there have been different philosophies over the years noting that some have not wanted to do anything until it was absolutely needed to spend down the \$11 million, and then jack up the rates by \$50 a quarter. Mr. Seeds noted that it is a consensus that we would prefer the smaller increases. Mr. Wendle noted that you could keep \$125 and work it out but you would have \$10 increments sooner to maintain that balance, noting if you want to maintain a balance of \$3, 4, or 5 million dollars, you will have some \$10 increments pretty soon.

Ms. Lindsey stated that Mr. Wendle was recommending Alternative One, but he is really recommending Alternate Two. Mr. Wendle noted that he was not making a recommendation he was providing information that \$125 would be okay.

Mr. Weaver noted that it sounds like Mr. Wendle is recommending the Board consider keeping less than \$6 million as a reserve if you want to keep \$5 increments and not \$10. He questioned what the Board wants Mr. Wendle to prepare for the rate analysis. Mr. Seeds noted that we need to make a decision if the Board wants to increase the rate for 2015 and Mr. Wendle will have his direction from that. Mr. Weaver noted that Mr. Wendle can come up with other alternatives to discuss at future meetings.

Mr. Wendle noted if you are looking at your annual expenses and they move out to near \$20 million in debt service, if you want to main a 15% or 20% reserve, then you need to go to \$130 sooner than later. He noted that he needs direction for the Board for what reserve you want to maintain. He suggested a reserve of \$5 million would require the raising of rates faster and at some point you could back off as it starts to increase again. He noted if you want to maintain a 20% reserve on the annual expenses, he could figure that it but it would be more than the \$1 million reserve that we show here. He would clearly recommend going to \$130 this year. Mr. Seeds noted the Township's policy is to maintain a 25% reserve rate.

Mr. Crissman made a motion to set the quarterly rate at \$130 for 2015. Mr. Eby seconded the motion. Mr. Seeds called for a roll call vote: Mr. Eby, aye; Ms. Lindsey, nay; Mr. Crissman, aye; Mr. Hornung, aye; and Mr. Seeds, aye.

Mr. Eby made a motion to approve the 2015 budget as prepared. Mr. Crissman seconded the motion. Mr. Weaver noted that he requested an amendment to the motion showing the sewer rental to reflect \$130 per quarter as the budget prepared shows an increase of \$125. Mr. Eby amended his motion to include the new rate of \$130 per quarter. Mr. Crissman approved

the amendment. Mr. Seeds called for a roll call vote: Mr. Eby, aye; Ms. Lindsey, aye; Mr. Crissman, aye; Mr. Hornung, aye; and Mr. Seeds, aye.

Mr. Hornung noted that Mr. Wendle was talking about 20% and 25% reserves, noting that the total budget is about \$17 million. Mr. Wendle noted that he is looking at \$17 or \$18 million and up to \$20 million when you get future borrowings. Mr. Hornung questioned if 20% would \$4 million, noting that a \$6 million reserve would be more than that. Mr. Wendle explained if the Board wants to keep 25%, he noted that he needs to know what rate you want to keep, and Mr. Seeds mentioned that the Township tried to keep 25%, and if he redoes the tables at the 25% rate then you need to do the \$130 sooner than later in order to maintain it as those tables get down to a reserve of \$1 million. Mr. Hornung noted by 2020 we would need a larger increase as it may be more than \$10, possibly \$20. Mr. Wendle noted that the Board was trying to avoid that in the past. Mr. Seeds noted when you are looking at the total budget, you are looking at capital improvements to include all the I&I work. Mr. Wendle explained if you look at his tables it shows future borrowing debt service assumptions that you will have a borrowing in 2021 and 2024 and that will continue to increase the debt service and you will need to raise the rates to cover that.

Mr. Seeds noted that a couple years ago we were below the 25% reserve and had to do tax anticipation note, borrowing money to get the Township through until it received its tax revenues. He noted that it cost money. He explained, in order to avoid the extra costs, we are better off to have the reserve otherwise we are borrowing money and paying to do so. Mr. Wendle noted that the Authority receives its funds quarterly so it doesn't run out like the Township does until it receives its tax receipts.

Mr. Hornung noted in considering the increases ending up with some reserves for a couple of years, are we allow to make arbitrage on those funds. Mr. Weaver noted that we have arbitrage limits on the money that we have for reserve. He noted that we will not reach that for 2015 unless something drastic happens. He noted that we are getting .25% on the \$25 million that we borrowed. He noted on the \$11 million, some of the funds are with Fulton Financial Advisors, but the checking account for the \$11 million is reconciled, but he assumed that the earnings are probably about the same. Mr. Hornung questioned if we could invest those funds like the Township does to try to gain a higher return. Mr. Weaver answered yes noted that PFM through PLGIT is doing the investments and Mr. Houck and Ms. Knoll meet with them and they

have also worked with Mr. Wendle to determine a draw down schedule so they can invest the \$25 million for a year as the Authority might be able to get up to .75% to 1% in earnings. He noted that the \$10 million has always been kept in the checking account without investing it long-term keeping it in PLGIT. He noted that the bond money must be spent within three years providing a small window to invest the funds. He noted that he could secure a recommendation for investing the \$10 million in reserves. Mr. Wendle noted that you will have those reserves for quite a while and there is no reason why you could not invest half of it for several years. Mr. Hornung requested Mr. Weaver to look into this as it may postpone an upcoming rate increase, noting that it may push out a \$10 increase another year.

Mr. Hornung questioned at what point we get to an arbitrage problem. Mr. Wendle noted that there is no arbitrage on this money as it is the unrestricted funds. He noted that it is not bond money.

Mr. Crissman questioned if we are restricted on arbitrage. Mr. Hornung answered on restricted money you are but on unrestricted you are not. Mr. Crissman noted that there were some modification on the arbitrage law some years ago. Mr. Weaver noted that he will have to report back to the Board how much of the \$11 million is affected by arbitrage as there is co-mingling of the funds. Mr. Crissman noted we should invest the funds that we are able to do so. Mr. Hornung noted that the Township has done much better than .75%. Mr. Weaver answered no, as the Authority uses the same investment recommendations. He noted that he does not know what the Township is getting but he did not think it was greater than .75%.

Mr. Crissman questioned if Mr. Weaver will come back with a report showing what we can arbitrage and what we can't.

Mr. Seeds noted for the February meeting, we can look at the revised rate schedule. Mr. Wendle noted that he will prepare it with a 25% reserve.

#### Resolution 14-13; Establishing a reimbursement component tapping fee

Mr. Seeds noted that Resolution 14-13 has been pulled from the agenda. Mr. Weaver noted that he met with Mr. Wendle after reviewing the Oakhurst Interceptor Agreement and it was discovered that the agreement with Donco Incorporated requires a reimbursement component tapping fee. He noted that Mr. Wendle's firm prepared as much as they could for the reimbursement component tapping fee but it needs to be preapproved from developer and it

has not been completed. Mr. Wendle noted that he suggested that the fee will be \$279 but Donco has not seen that yet and there is no reason for Lower Paxton to worry about enacting a reimbursement component fee until after the first of the year since no one in Lower Paxton Township has access that could connect.

Mr. Weaver noted that Mr. Wendle can explain at the February meeting how he arrived at that fee.

#### Action on Permanent Easement Agreement

Mr. Hilson noted that he has a permanent sanitary sewer easement agreement for the Board's consideration prepared by the solicitor that would allow the connection of a low pressure sanitary sewer lateral to the Beaver Creek Pump Station. He noted that it is unique in that the adjoining property is having an on-lot sewage system issue. He noted that they have to resolve it and they don't have the room to do that, as they are very close to Beaver Creek and on the opposite side of the Beaver Creek Pump Station.

Mr. Seeds questioned if they are located in West Hanover Township. Mr. Hilson answered yes. He noted that the Barnsley's approached the Authority to discuss what options they would have to connect to the interceptor. He noted that Mr. Wendle suggested that they could try to connect to the pump station. He noted that there was a manhole located outside the pump station that could accommodate this. He noted since a private sanitary sewer lateral is proposed on the Authority property but it would be appropriate to secure an easement to spell out the terms and conditions for this to occur.

Mr. Seeds questioned if the property owner would be paying for the lateral. Mr. Hilson answered yes. Mr. Seeds questioned if the Authority would maintain the lateral. Mr. Hilson answered no, noting that the private property owner would maintain it up to the point of connection.

Mr. Seeds noted that Mr. Hilson is looking for the Board to action on this.

Mr. Stine noted that the property owner has not signed the easement agreement up to this date.

Mr. Hilson noted that it was presented to him and he is interested in the project but he has hit a snag. He noted that it is up to the Authority Board at this point to permit the easement but

he wanted to know what the Board's desire is. Mr. Seeds noted that the property owner currently has a septic system. Mr. Hilson answered yes and he had problems with it.

Mr. Crissman noted that he is not willing to take action on a document that is not signed by the other party. Ms. Lindsey agreed. Mr. Hilson noted that he would pass that information along to the individual.

Mr. Hornung questioned what the downfall is for the Authority to sign the easement agreement. Mr. Weaver answered if the Board signed the agreement it would provide an answer to the resident that we can meet the terms of the agreement as there is no liability to the Board as the solicitor and engineer have recommended approval of the easement agreement.

Mr. Hornung noted that it is his desire to have this individual connect to the system. Mr. Weaver noted that it is not staff's desire but he has a failing system and it would provide a way for him to have service. He noted that he lives in West Hanover Township and there is no sewer service. Mr. Hornung questioned if it would be responsible for us to provide the easement for a sewer connection as it would stop a sewer issue that is currently occurring on his property. Mr. Weaver answered that is true. Mr. Hornung questioned if the Board signed the easement agreement would it provide more impetus to sign the document. Mr. Weaver answered that he did not think there was a driving factor for the legal document. Mr. Hilson noted that it would remove that uncertainty for him as we explained that the easement is at the Board's pleasure. He noted that it would answer that question for him and provide some encouragement that he could make it happen. He noted that the site conditions are the major impetus on the existing lot.

Ms. Lindsey questioned was is the reason for the person backing off of his original request. Mr. Hilson answered that it may have to do with financing of the improvement. Mr. Hornung questioned if he has any other options, such as a sand mound. Mr. Hilson answered that there are very few options, noting that it is low lying, directly next to the creek, and it is a small lot. He noted that the owner had an engineer evaluate the site conditions and provided a letter that there is no feasible alternative for him. He noted that he would be stuck with a holding tank which is not a viable option, economically or environmentally.

Mr. Hornung noted that it is hard to get DEP to approve a holding tank. He suggested that there is no downside to the Board signing the easement agreement. He noted that it would provide an impetus to be more environmentally conscience and in the Township's best interest to

sign the document as long as there are no legal ramifications. Mr. Crissman noted that he does not like to sign documents prior to the other party signing a document. Mr. Hornung noted that it may encourage him to sign the document. Mr. Crissman noted that we do not know if he will respond to this. Mr. Hornung noted that there is no downside to signing it.

Ms. Lindsey questioned if there was a reason for the other party not signing the document. Mr. Stine noted that he mentioned it because Mr. Crissman is always concerned about other parties signing documents first. He noted that it does not have any legal ramifications because until the other party signs the documents it is not an agreement.

Mr. Eby noted that he would rather see it go into a collection system to Beaver Creek. He noted that it is hard to say what the applicant can afford. He noted that he had no problem signing the easement agreement.

Mr. Hornung made a motion to approve the permanent sanitary sewer easement agreement with Charles L. Barnsley Jr., and Kimberly Lynn Barnsley. Mr. Eby seconded the motion. Mr. Seeds called for a roll call vote: Mr. Eby, aye; Ms. Lindsey, nay; Mr. Crissman, nay; Mr. Hornung, aye, and Mr. Seeds, aye.

Resolution 14-14; Authorizing the destruction of specific records

Mr. Weaver explained that staff has been diligent in keeping up with the destruction of specific records so based on staff's recommendation he desires that the Board approve Resolution 14-14; authorizing the destruction of specific records that are attached as Exhibit A to the resolution.

Mr. Crissman made a motion to approve Resolution 14-14; authorizing the destruction of specific records. Ms. Lindsey seconded the motion. Mr. Seeds called for a voice vote and a unanimous vote followed.

Resolution 14-15; Authorizing Delinquent Collection Policy  
Action on billing for 5613 A. Akron Drive, 360 Colonial Road and 6536 Baywood Drive

Mr. Weaver noted that Resolution 14-15 establishes a Sewer rental and collection policy; a resolution recommended by staff and the delinquent collection agency which is now Modern Recovery Solutions, and special counsel, the Slusser Law Firm. He noted in the attempt to collect debt, it is good idea to have a policy in place that provides procedures for staff for how they go about collecting the debt and sending them for collection to the collection agency.

Mr. Weaver explained that staff met with other agencies around the State of Pennsylvania and Modern Recovery Solutions and they did a good job in presenting a very good sewer rental and collection policy. He noted that it lists personnel duties, notice to rate payers is explained, and the actions of the collection agency and collection of attorney is fully explained. He noted that bankruptcy matters are also explained. He noted that we have several unbilled accounts that need to be addressed by the Board and they have been listed together, as part of this policy adoption, because if the Board acts on the policy, it would effect those three accounts. He noted that is where the difficulty comes in as he wants to concentrate in the policy, the section that deals with unbilled accounts.

Mr. Weaver noted page 22, paragraph 10 discusses, “if the billing error is due to the Sewer Department, the account will be adjusted to reflect the correct billing. He noted if it is under-billed, the account will be adjusted to the correct billing and the customer would be given an equal amount of time for the same period of time that was under-billed to be paid without penalty. He noted for properties connected to the sewer system that were not billed, the Department will back bill the account to an appropriate date determined by Sewer Department using the following records but not limited to: building permits, zoning applications, variance, water company records, electric company records and tax records. He noted that the owner ratepayer will have a period of time equal to the time the account was not billed to pay without penalty.”

Mr. Weaver noted that staff based the policy on what has been done in the past ten or 15 years. He noted that the Department has one or two accounts that this has occurred and it was the policy that was established but never adopted. He explained when the Akron Drive property came to his attention he discussed this with the Board and did a lot of research to determine how many more accounts there could be like this one.

Mr. Weaver noted that more research was done in regards to this issue and he distributed maps to the Board members created by GHD. He noted that GHD did a Gap Analysis Map. He noted that Ms. Lindsey questioned if staff had any ideas of how many accounts had gone unbilled of the 14,500 current accounts. He noted that every time we do a mini-basin project, GHD would get the billing information from staff and do an overlay of the mini-basin area showing the house with a dot showing if an account is being billed for that house. He noted if there is a house without a dot further investigations would be conducted. He noted that it was

only done for the mini-basins, but he asked GHD how much it would cost to do a map for the entire Township. He noted that it was relatively inexpensive so they completed it and he distributed a couple of the examples of the study for each sub-basin. He noted for what staff has found to this point we did not find any other Akron Drive issues. He noted that he had one other case on the agenda for Baywood Drive that was discovered as part of the Gap Analysis Study. He noted that he has one that is confirmed that is not being billed but was billed for a temporary basis from 1993 to 1999. He noted that a computer glitch removed that listing from the system. He noted that Ms. Fasolt did a complete analysis and met with Mr. Hilson and staff, and it was noted that many of the accounts that are not being billed are too far away from the sewer service to be connected. He noted that there is a 150 foot requirement that mandates connection to the sewer system. He noted some of the other properties are too low to connect with gravity; therefore, in the past, they did not have to connect to the sewer unless we could provide gravity service. He noted that more analysis needs to be done for these properties but he is confident that staff will not find dozens of people who have never been billed.

Mr. Weaver noted that he wanted to make sure this information was passed on to the Board as part of the policy discussion to provide a picture of what has been done by staff up to this point.

Mr. Seeds noted that he was unable to review the policy before today and he did not have an opportunity to review the entire policy. He noted that adoption of this policy would effect the three properties that are listed on the agenda, and he would prefer to have more time to review the policy and also the map that was just distributed. He noted Mr. Weaver's memo regarding two of the properties, he recommended to table the discussion for this evening; noting that one person was unable to attend the meeting tonight, although he would have been able to attend the meeting on the 25<sup>th</sup> if the date would not have been changed. He noted that he asked to delay further discussion on this until he could meet with the Board. He noted that he is not prepared to take action on this at this time.

Mr. Weaver noted that the Board could schedule a special Authority meeting between now and February to do this. Mr. Seeds questioned if we need to take action before the February meeting. Mr. Weaver answered that we need to take action on the Akron Drive since the minutes reflect that some action would be taken before or after the November 25<sup>th</sup> meeting, unless you intend to have a meeting between now and then; otherwise he would recommend that you take

action to table the matter until a date set after November 25<sup>th</sup>.

Mr. Crissman questioned if Mr. Weaver did not need action taken on the policy in order to move forward with the three that are listed on the agenda. Mr. Weaver answered that whatever the Board's wishes are, you could take any action that you want, but it would not be necessary to adopt the policy tonight, having the ability to approve any outstanding bill. Mr. Stine noted that they do not need a policy to take action, they can do it the way it is. He noted that the Akron Drive bill is waiting for a proposal from the property owner. Mr. Weaver noted that the son did provide a proposal by email. He noted that he did not get a chance to speak to the son but he was upset that we are considering taking action on his claim this evening since he was told that the meeting was to be held November 25<sup>th</sup>, and he explained that the meeting was rescheduled to this evening. He noted that the son complained that he did not have notice, but he provided him with plenty of notice, noting that he called him the day after finding out the meeting was changed and that he should provide a proposal to him as soon as possible. Mr. Seeds noted that we told him when he was present at the meeting that it would be November 25<sup>th</sup>. Ms. Lindsey noted that was his sister that attended the meeting. Mr. Weaver noted that he provided an offer of three years payment. He noted that we know where he stands and we could accept his email as his offer of payment. He noted that he only asked to table the decision if the Board wanted to push for a higher amount than the \$1,335 that he was willing to pay.

Mr. Seeds noted if the Board was to adopt the collection policy that he did not have a chance to look at, he would have to pay the entire thing. He noted if the Board adopted the policy, then it couldn't consider any offers made to it as it would be in violation of its own policy. Mr. Weaver suggested that you could amend you policy at any time.

Ms. Lindsey noted of the three on the agenda, where they ever notified by letter that they were not paying their sewer bill. Mr. Weaver answered that staff became aware of the Akron Drive through the settlement office. Ms. Lindsey questioned if she was sent a notice that she was not paying her sewer bill, and it was not found until the estate was settled. Mr. Weaver answered that was correct. He noted since the last meeting, he did find additional information on the Akron Drive account. He noted that an index card for 5613 A. Akron Drive that lists the date of the new installation of 7/11/72 and the plumber was Esenhauer, and its lists documentation by the inspector. He noted that he found that the Authority did have knowledge that it was connected. He noted that he has no knowledge for why the account was not billed. He noted

between 1967 and 1972, there was a file cabinet that had all these index cards in it that recorded inspections done by the Authority. He noted that typically what you found following that period of time was a connection permit. He noted that he did not know why the card system was done and not the connection permit. He noted now we have the connection permit and inspection information on the connection permit together. He noted that it sounds like they had two systems for filing in the past and somehow there was a disconnect between those two. He noted that the connection permit was given to the billing clerk after the inspection was completed to start the billing process. He noted that they only found the file cabinet with the information for the inspection. He noted that the Authority did have knowledge that the property was connected.

Mr. Seeds suggested that the Authority is culpable for some of this problem. He noted that the new policy would indicate that we should collect all the funds one way or the other, although he does not agree with that. Mr. Weaver noted that the policy was based on conversations that he had with Solicitor Stine. Mr. Seeds questioned if it is fair.

Mr. Hornung questioned Mr. Stine if passing the policy would have any jurisdiction over doing something with Akron Drive. Mr. Stine answered that it would be an account covered by the one section on billing. He noted that the question is do you want to have to change a policy right after you adopt it depending on what you want to do with Akron Drive.

Ms. Lindsey questioned if the Township knew that it was connected and we never notified them that the bills were not paid, if we were to make them pay the entire amount could they file against us. Mr. Stine noted that their argument is the statute of limitations, but the issue is that there is a doctrine agreed upon by the courts, the Doctrine of Nullum Tempus Occurrit Regi, which is not the entire name but in the English translation means, “time does not run against the King”. He noted it was an old concept from England in the Colonial times, noting that for any Commonwealth entity, the statute of limitations does not run against the Commonwealth entity. He noted that it can against certain municipal entities in certain aspects but not in others. He noted that the Authority is considered a Commonwealth instrumentality, it is not a municipality; it is more like a creature of the Commonwealth. He noted that there is an argument that there is no statute of limitations for the Authority. He noted that we are considered a municipal entity and there is no statute of limitations if it is a municipal function. He noted even if the Authority was a municipal entity, the statute of limitations would not be in force. He noted that is the legal part of it, but what the Authority wants to do as far as a policy of the

Authority or with regard to these three accounts, that is up to the Authority.

Mr. Hornung questioned would the Authority be better off legally if it adopts a policy in regards to these areas where we did not bill clients where we would only go back six or ten years. He questioned if that would put the Authority in better legal standing. Mr. Stine answered that you do not want to flip flop back and forth. He noted that today you may make someone pay all of it no matter how much it was and then a year from now you do it differently. He noted that you are now getting into the arbitrary and capricious area where you are not treating people similarly. He noted that he would be very concerned about that as you need to treat people similarly in a similar fashion. Mr. Hornung noted that the collection policy may want to include something where we only go back a number of years. Mr. Stine answered that you could also do a percentage of the time, noting that there are many ways to do it as he hasn't thought it through very much. He noted that consistency is better than inconsistency.

Mr. Seeds suggested that there will be other cases like Akron Drive and it will not be the only one.

Mr. Hornung questioned if we should kick this back and have it rewritten to include some type of consistency statement or not. Mr. Crissman agreed that he would support that so that when we make our decision that we have consistency from that point forward. He noted that we need to revisit this document. Mr. Seeds suggested that we could discuss this in a workshop fashion. Mr. Hornung noted that there is some sense of urgency to get this done. Mr. Crissman noted that Mr. Weaver needs to move forward and we must provide him with guidance. Mr. Weaver answered that there is no urgency on any of the accounts that we have tonight for Akron Drive, Baywood Drive and Colonial Road. Mr. Hornung noted that some involve an escrow account. Mr. Weaver noted that Colonial Road settled on the October 31<sup>st</sup> and they want no action taken tonight since the attorney asked for more time since the client is ill and unavailable to meet with him.

Mr. Weaver noted that the maps from the gap analysis are showing that we will not find many more accounts that should be billed. He noted what he thinks he will continue to find are properties that added another unit and the Authority is unaware of it since the gap analysis will not find that. He noted whatever policy the Board wishes to create will be good but he suspects that he will have more issues with additional units. He noted that the policy as written shows that they will pay the full amount, noting page 22 does address the three accounts on the agenda

for today. He noted that staff can meet with Mr. Stine to hash out how this can be refined to have more situations defined but he left it very open to have the entire bill paid for as it was what he was hearing from before. He noted that Mr. Eby told him that he would like the policy to handle everyone and there was nothing we could do except to go along with what the solicitor had advised that we collect the full amount.

Mr. Seeds noted for the home on Colonial Road, Mr. Weaver asked that we table it so he questioned him if he was okay with tabling all three locations until a future meeting. Mr. Weaver answered yes. He noted that he would recommend formal action to the minutes that stated that the Akron Drive issue would be resolved by November 25th and extend it until the February 2015 meeting or some other meeting. Mr. Hornung noted that the Authority in the past has scheduled special meetings prior to the start of the Board meeting to discuss these issues. Mr. Weaver noted that it could be discussed at any time between now and February. Mr. Crissman noted that we can table the adoption of the resolution and that it would appear on the next agenda whenever that is. He noted that we could have an Authority meeting for that purpose but we can't table it and discuss it as the Board of Supervisors as it appears on the Authority agenda so it can only be done on Authority agenda time.

Mr. Crissman made a motion to table Resolution 2014-15; delinquent collection policy to include the action on the three outstanding delinquent funds as listed on the agenda. He noted when the next Authority agenda is prepared, this will have to be the first item of business to remove it from the table. Mr. Hornung seconded the motion. Mr. Seeds called for a voice vote and a unanimous vote followed.

## **Township Report**

### Update on Second Consent Decree Projects

Mr. Mark Hilson noted that there are currently six contracts open, PC-2C and 2D are in the process of the contractor finishing up the punch list items. He noted that it will be closed shortly. He noted that Gale Drive paving is going on at this time and it is about 50% complete. He noted that it is behind schedule as he has been after the contractor to dedicate some additional resources and to change up some of the things that he was doing to speed up the project. He noted that BC6, the project that surrounds the Municipal Center is in its final stages. He noted that they are working through their punch list and he is trying to get as much paving done as possible before the paving season ends. Mr. Seeds questioned when that is. Mr. Hilson answered

that it is weather dependent. He noted that the asphalt plants are scheduled to close December 12<sup>th</sup>, pending orders and polar vortexes. He noted that cold weather will shut them down earlier; however we had a good day for paving and hope to have one tomorrow as well. He noted that he wants to get as much done as possible.

Mr. Hilson noted for PC5 which is the other side of Jonestown Road, it is in its restoration phase, the pipe work is done, with a little bit of concrete work wrapping up. He noted that we added ADA ramps to that project to make sure that we had ADA access when we overlaid the roads to get to pedestrian destinations which is a requirement that we have as a municipality. He noted that the Trunk G project was started for Springford Village. He noted that it was a two-phase project where we took the Springford Village Treatment Plant off line so it is no longer active. He noted that it is not completely removed yet but it is no longer active. He noted the Gale Drive Pump Station was taken off line as well with the completion and construction of the Oakhurst Interceptor. He noted that it is a big deal.

Mr. Hilson noted for Forest Hills the contractor had a hybrid project, with some building sewer cleanouts, manholes, sewer replacement and some very deep sewer replacement with some spotty paving associated with it. He noted that the project was wrapped up and he will be doing close out documents for that noting that there will be some change orders for all the above mention projects.

Mr. Hilson noted that he is looking at replacing sewer on Crums Lane since there are some stormwater projects that are going to occur in 2015, so he needs to get in ahead of them and get the sewer out of the way since we are the deepest utility so that Public Works can come in and have an easier time of it.

Mr. Hilson noted that now we are in a mad dash to get everything paved.

Ms. Lindsey wanted to know if the manholes that are up, will they be paved around. Mr. Hilson answered that there are still some manholes that are up and not paved around. He noted that they will be winterizing so the snow plows can ride up. He noted that the manholes that continue to stick up are on the roads to be overlaid. He noted if some were missed we will get those ramped up for the winter.

Ms. Lindsey wanted to thank Mr. Hilson for the Linglestown Road/Gale Drive/Crums Mills Road issue for the detour signs. She noted that there was a big lighted sign warning drivers

that Crums Mill Road was closed. Mr. Hilson noted that he would pass that along to the design engineers, staff, and inspectors in the field.

Mr. Crissman noted that there are two manholes that are high on Devonshire Road near North Side Elementary School. He questioned if it will be resolved before winter. Mr. Hilson answered noted that the ones on Devonshire Road will be ramped up but that area will not be overlaid as it is part of a stormwater project. He noted that North Houcks Road, Smith Street, Devonshire Road in front of Northside Elementary School, Bristol Drive and Cove Road are all part of the stormwater project that is upcoming. He noted that the manholes will be winterized.

Mr. Seeds noted that is very important because if a plow operator hits ones of those manholes, it could cause serious injury or kill the driver.

Ms. Lindsey noted that the projects have been going on for seven years and it was not in the Township's immediate travel area but now it is where there is so much traffic in the Colonial Park area. She suggested that is why people were more aware of what was going on and why more people were complaining. Mr. Hilson noted when you disrupts people's routine it is hard. He noted that the project around the Municipal Center was a \$7 million one, and across the street is was another \$5 million project resulting in \$12 million of heavy construction in the middle of a very busy commercial area. He noted that it resulted in a lot of cut through traffic. He noted that the contractor Joao and Bradley Construction Company is six months ahead of schedule. He noted that this could have been going on with the pipe work done through the winter with nothing paved until next summer.

Ms. Lindsey questioned if this is the first time the Authority has used Bradley. Mr. Hilson answered yes, noting that they have been bidding our work and finally they got a contract. Ms. Lindsey questioned if Mr. Hilson was very happy with them. Mr. Hilson answered yes, noting that they are good workers, have an excellent pipe crew, approach and production means a lot. He noted when you come into a neighborhood and tear it up being able to put it back together in an hour. He noted that there is no substitution for that in terms of the moral of the residents.

Mr. Eby questioned what is going on for BC-4B, noting that the Authority is doing that work. He noted that it also encompasses 4A-B-and C. Mr. Hilson explained that Mr. Shannon will get into the permitting for that project and where the design stands. He noted that the I&I crew started to do building sewer replacement noting that there are many One Call markings. He

noted that they are gearing up to test the building sewer and make replacements for that project. He noted that Mr. Shannon could answer that better than he.

### **Engineer's Report**

Mr. Kevin Shannon noted that the Engineer's Report is in the meeting packet and he will pick up where Mr. Hilson left off. He noted that Mr. Hilson did a good job reporting for everything that is under construction, noting that the BC4 project is the next one to go out to bid. He noted in the August report he suggested that it would be advertised sometime late this year or early 2015 but there have been a couple of things that slowed the process down. He noted that he was informed that they need to design each and every ADA ramp which has been installed using a standard detail. He noted that he needs to get some additional survey work done and he is identifying the ramps that need attention in that area. He noted that there are several. He noted that the Township crews televised and tested the lines in Heatherfield in BC-4B and determined that several additional runs of sewer on Lopax Road were found to be ACP pipe while all the records that the Township had that were available showed that it was PVC pipe. He noted that we need to survey additional lines and design for replacement. He suggested that it will set the project back a couple of months noting that it will be advertised the first quarter of 2015.

Mr. Shannon noted that the other project in design is PC-4C and 4E. He noted that it is located on either side of Route 22 from Hoffman Ford noting that it is adjacent to the BC4 project. He explained that he is working on getting the permit documents together for that and he would suggest that it would be bid later this year.

Mr. Shannon questioned if anyone had any questions on his report.

Mr. Seeds questioned why they had the issue with Heatherfield. Mr. Shannon answered that the drawings were somewhat sketchy for that development but he had a straight-line diagram showing lateral locations and they indicated that most of the main lines were PVC pipe, but televising showed otherwise. Mr. Seeds questioned if we have to replace all of the ACP pipe regardless of its condition. Mr. Shannon noted that the first two runs on Lopax Road were ACP pipe but when the developer came in from there it was sketchy. He suggested that four or five more runs on Lopax Road and two off shoots that Township staff determined had asbestos in the pipe. Mr. Seeds noted that the development is not that old and he was surprised that they didn't

use PVC pipe. Mr. Eby noted that all the laterals are cast iron even though the houses were built when PVC was readily available.

Mr. Seeds noted for the Metering Program he mention earlier that Lower Paxton had 13 of the 16 planned temporary meters and GHD have installed 14 of the 16 planned temporary meters and he questioned if that was wrong. Mr. Shannon noted that he did not find a typo in that report as there are 32 temporary sites half of which are to be installed and maintained by Township staff and the other half will be installed and maintained by GHD. Mr. Seeds noted that Mr. Shannon was correct.

Mr. Seeds requested Mr. Shannon to expound on the Nyes Road Interceptor. Mr. Shannon noted that he presented for preliminary results the modeling of the Beaver Creek Interceptor and Nyes Road interceptors to staff about two weeks ago and it was showing with the reduced flows through rehab of the ACP and PVC pipe in the Beaver Creek basin and also allowing for growth in accordance for the proposed and approved developments and build out as allowed by current zoning that some conveyance upgrades would be recommended. He noted that he does not have a final report yet. Mr. Seeds questioned if the pipe lays under Nyes Road. Mr. Shannon answered that it is all over the place. He noted that many of the improvements from the southeast corner at Swatara Township along Nyes Road all the way past Locust Lane were designed as part of the Beaver Creek Wet Weather Treatment Plant and conveyance improvements. He noted that we are not suggesting that all of that is necessary at this time and maybe the pipe sizes will be the same. He noted that the goal is to reduce the flows where with the Wet Weather Treatment Plant, you were conveying everything down to it to be able to treat it. He noted that the line in Nyes Road are located on one side or the other side and crossing under it. He noted that the permitting was a PennDOT versus DEP effort when it was done back ten years ago. He noted that all the permits were obtained for those improvements. Mr. Seeds noted that it would be costly either on the road surface or down near the stream due to the wetlands. He suggested that we could lay additional lines or bypass it.

Mr. Wendle noted that the assumption from the past was that we were going to be replacing all the lines and he did not run a hydraulic model then since we were planning to replace it to carry the peak flows. He noted that now that we are reducing the flows, he found that some areas will need to be replaced. He noted that it will be a significant cost but the good news is if we did replace it we would be moving it to a location where it can be maintained. He

noted that a lot of it at this time cannot be maintained and you can't get to it since it is in the edge of the road. He noted that he would not recommend replacing it until we see what the results are on the first several mini-basins to get a good picture of what we are removing. He suggested that there will be some sections that will have to be replaced.

Mr. Seeds questioned for Section 2.8, Beaver Creek Pump Station, has the big pump been replaced with the smaller pump. Mr. Shannon answered no, but it is in process. He explained that the big pump was removed and reinstalled and it only worked sometime but staff was taking a close look at this and it is thought if they remove the big pump and put the same size pump as the other two pumps and put them on an alternating pre-pump system where they all get exercised frequently, simplifying the controls as well. Mr. Seeds questioned if the big pump is still in. Mr. Hilson answered yes. He noted that sometimes it is functional. He noted that it should come on under high flow conditions but it doesn't work, sometimes being control related. He noted that the underlying design basis for it is no longer applicable since the plant went away.

Mr. Weaver noted that the original pump station was designed to have the big pump run to the treatment plant and that is no longer on the table as we are doing the Beaver Creek Corrective Action Plan. He noted that the pump was designed to be turned on every couple of days to keep the parts moving otherwise the manufacturer would not recommend that setup but it is very staff intensive to do that and there are issues with the controls. He noted that there is much in play in regards to the recommendation to remove the big pump concerning the controls, new design, and the fact that the manufacturer told him that the pump needed to be operated daily.

Mr. Seeds noted that Section 4.3, deals with Linglestown manholes and he questioned what are the additional issues. Mr. Shannon noted that he received a Highway Occupancy Permit from PennDOT with the understanding that the manholes only needed a grade adjustment. He noted when the Township was working with the contractor to get a quote to do that work it was determined that there are additional issues that need to be addressed before we get into that work.

Mr. Seeds noted that the Authority approved a resolution last month paying 50% of the funds to raise the manholes and now you are finding additional problems. Mr. Shannon noted that they got the contractors quote and it was significantly different from what the estimate was for the 50/50 reimbursement with PennDOT.

Mr. Hilson noted that the project started with simply adjusting some frames to paving grade and when he investigated it further he found that some of the problems went a little deeper than that as the rings that were used to adjust the frames and covers were not installed properly as there is a much better way to do it. He noted that he is looking to determine how to adjust the manholes to get them to the correct grade and it became apparent that some required the frame cover to come completely off, installing a different barrel and cone section to be put back on and then making an adjustment. He noted that it is hard to get these things just right with a minimum number of donuts, so it is not a matter of popping the cover off and putting in what is called a paving ring and just raising them a little bit uniformly and putting the cover back on. Mr. Seeds questioned if it was a contractor error and do we have any recourse against the contractor. Mr. Hilson noted that he is not sure as PennDOT closed out that contract, as it was their contract and we paid for 50% of it. Mr. Seeds questioned if you are at that point to know that. Mr. Hilson answered not yet.

Mr. Seeds questioned if the Blue Mountain Apartments are in the Township. Mr. Shannon answered that some of the property is in both Townships but the space for the currently proposed development is in Susquehanna Township. He noted that the Sportsman's Golf Club is the property so the first phase that they want to develop is the far western edge which is in Susquehanna Township; however a portion of the first phase is controlled by gravity directed into Susquehanna but the other portion which is what you are seeing in the report discussed requiring a trunk line that is mostly in Lower Paxton Township and will come across Linglestown Road to the west of Gale Drive which is supposed to be ten inches. He noted that it will serve a lot of the development that will be in Lower Paxton Township for future phases.

Mr. Seeds noted that he spoke to a developer about that plan and they are talking about the extension of Continental Drive. He noted that it has been controversial over the years. Mr. Shannon noted that the line is in Lower Paxton Township but the development is in Susquehanna Township. He noted that we did see the sewage planning module for this a year ago when we looked at the projected flows and everything was approved.

Mr. Hornung noted that he was reviewing the graph that shows the costs for removal and some were as high as \$10. He requested Mr. Wendle to explain that to him. Mr. Shannon explained that the high number and cost per gallon removed in PC-6C is \$10.29 is mainly because the post rehab metering data showed that not a lot of I&I was removed. He noted that

the meter data is based upon subtracting several meters from one another. He noted that this was found over a year ago and Township crews investigated and found some underslab sources. He noted that it is ongoing and the number should, once these sources are addressed and removed, change. He noted that we have not finished all of the wet weather investigations but there were several streets where they were able to isolate some flows coming out of laterals and they were going to go back to see if it was a sump pump or a bad lateral for what happened. He noted that there are areas that need further investigation and part of the problem is to get a bunch of meters to agree. He noted that it is not just a nice place where you can meter the flow, you meter the flow that is coming out and you have to subtract the flows coming in noting that an open flow channel flow meter is an art. He noted that we agreed to put PC6C in PC4 in order to meter it a little bit easier and try not to make it a PC 6 area.

Mr. Hornung noted that there is one in BC-1A, but he assumed that it is also preliminary as the rates are pretty low yet. Mr. Shannon noted BC-1A looks a little higher since it was four different projects that it took to finish it over a five-year period. He noted that it is the area that drains to the Linglestown Road pumping station and it was initially the Board's desire to focus on the most cost effective removal in that area and we waited until the different PennDOT projects in Linglestown Road were completed. He noted that it was a relatively small mini-basin which the goal has been met as the flows are low. He noted that there wasn't that much to remove to get to that point so it was a little bit more expensive on a per gallon basis for the way it was done and how much flow there was to go after. Mr. Wendle noted in that particular one the issue was that the pump station couldn't handle the 3,500 gallons per day; whereas it would have been a lower priority basin when we are getting much lower costs when we are going into basins that have 10,000 gallons per day per house. He noted that it only had 3,500 gallons per day, but it had to be done to get the pump station from overflowing. Mr. Hornung noted that the alternate would have been more expensive to increase the pump stations. Mr. Wendle noted that it had implications the whole way down stream expanding force mains. Mr. Hornung noted that the alternate would have been more expensive than rehabbing the basin. Mr. Wendle answered yes.

Mr. Seeds noted that one was only \$.22.

Mr. Shannon noted that there were a number of projects that were under \$2 per gallon.

Mr. Shannon noted that we have already gotten the low hanging fruit. Mr. Wendle noted that he will be going through an entire program update in February but what is costing more money now is that we are doing much more paving than we did in the past. He noted that the paving costs have driven everything up. He noted that we go into a location that has a road that has a couple inches of blacktop on dirt, and the road breaks apart instead of being able to replace in kind, so now we are putting five inches of stone and five inches of bituminous concrete base course and making a new road. Mr. Hornung noted that he saw the note about changing the standard to replace the road in kind. Mr. Wendle noted maybe something more like in-kind but that is one of the items driving the price up.

Mr. Hornung questioned at what point for Paxton Creek, at what dollar amount per gallon does it start to make storage more favorable. Mr. Wendle noted that he looked at the cost of storage this past year, noting if you can do it having DEP agree to a certain design issue the \$5 number would not be a bad number. He stated that he was hoping in February when we look at the entire program costs that he will be able to provide that number with projected costs for storage.

### **Adjournment**

Mr. Seeds noted that tomorrow is Veteran's Day and he wanted to thank all the Veterans, those serving now, those who have served and he wanted to say Happy Birthday to his fellow Marines, Semper Fi and Ho-rah.

Mr. Crissman made a motion to adjourn the meeting, and the meeting adjourned at 8:40 p.m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

William L. Hornung  
Authority Secretary