

**LOWER PAXTON TOWNSHIP
AUTHORITY MEETING**

Minutes of Township Authority Meeting held August 24, 2010

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

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

Pledge of Allegiance

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

Approval of Minutes

Mr. Crissman made a motion to approve the August 17, 2010 Authority meeting minutes. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Public Comment

Mr. Steve Musser, 5000 Irene Drive, questioned who gave Ronca the approval to keep their base of operations on Irene Drive for two years. He noted that the work on Irene Drive has been completed. Mr. Musser explained that it is a quiet, residential dead-end street. Mr. Wolfe noted that the contractor is required to obtain his own base of operation. Mr. Wendle noted that he did not know if he was located on private land or public streets. Mr. Wolfe answered that it is land owned privately. Mr. Wendle noted that Ronca would have gotten permission from the property owner to set up their base of operations at that location. Mr. Musser questioned why the people who reside on Irene Drive were not asked about this decision. Mr. Hawk questioned if it is a disruption to the neighborhood. Mr. Musser answered that there is traffic back and forth all day long, to include tri-axles, loaders, backhoes, and utility trucks. He noted that he can

understand that they need a place to work out of to go to in the morning to get their stuff, leave, and come back at the end of the day, and that would be fine, however, the trucks are back and forth all day long on Irene Drive. Mr. Hawk noted that it causes a disruption to the people who live on Irene Drive. Mr. Musser answered yes. Mr. Hawk noted that once a bid is accepted, then the contractor has to find a base of operation, but he questioned if the Township follows up to know where it is located. Mr. Wolfe answered that there is no bid specification to do this.

Mr. Seeds questioned when the job started. Mr. Musser answered, January 2010. Mr. Seeds questioned when the job was completed. Mr. Weaver answered that the job is an 18 month project that is still on going. Mr. Musser noted that the Irene Drive portion has been completed.

Mr. Weaver explained that he would discuss the progress for the PC4B/6C projects under the Township Reports, noting that it is the first mini-basin project in the Paxton Creek Corrective Action Plan. He noted that the project would be ongoing for a year and a half at a cost of \$7 million, and the contractor has almost completed PC/6C, and will be starting PC/4B on the south side of Earl Drive. He noted that staff and the engineer have talked internally about the issue, noting that they are replacing 60% of the sewers in the Paxton Creek Basin under Phase I; therefore, the contractor needs at least an acre to store his equipment. He noted that since the project is located in a residential area, there are very few places to do it. He noted that staff could not find a place to locate the materials, and Susquehanna Township had delayed a project for over six months for this very reason. He noted that this decision is left to the contractor to make their own provisions.

Mr. Seeds noted that this is in the same development but not on Irene Drive. He noted that they have lease on the property on Irene Drive to store their equipment. Mr. Weaver noted that they need to store their equipment, stone, pipe and other items. Mr. Seeds questioned if it would be another year until the project is completed, noting that he would not like the trucks going through his neighborhood. He explained that Ronca was working in his neighborhood and he questioned if they brought their equipment from Irene Drive to work on Raspberry Alley. He noted that they should not use that as the base operation for all their projects in the Township as it would not be fair to that neighborhood.

Mr. Weaver noted that the Authority has a very restrictive consent decree that has a very tight time table and the contractor has to complete the work within certain time limits. He noted

that they have brought in large amounts of equipment and have two crews working the project. He noted that Ronca is getting 150 feet to 180 feet completed a day, whereas, most contractors only get 100 feet of work per day. He noted that their production is much greater, so they are moving more quickly, and it is a good thing. He noted that the storage area is located in a secluded area, noting that the complaint is geared to the truck traffic. He noted that the road would be paved in the near future and that should help with the road conditions. He noted that he could speak with the contractor to see what could be done. Mr. Seeds questioned if Ronca's lease ends when the project is completed. Mr. Weaver noted that the Authority has no information on the lease agreement with the property owner, but he could ask the contractor about it. Mr. Seeds noted that you cannot run a business in a residential neighborhood.

Mr. Wolfe displayed a map of the area on the screen, and explained that the large area to the west is the stockpile area. Mr. Wolfe noted that the Board visited the site on its Road Tour, and he explained that Ronca's stockpile is located around the area of the house shown on the map and the stockpile is for all the projects in PC6C and PC4B. He noted that the two areas are part of the 18 month project contracted at \$7 million. He noted the stockpile is at the end of Irene Drive. Mr. Hawk suggested that it is a large area that they are using. Mr. Musser noted that he does not care about the stockpile or how long the contract is, he is tired of the traffic back and forth in front of his home. Mr. Crissman noted that the Township could speak to the contractor and ask if they could have some consideration for the neighbors. Mr. Musser questioned if Ronca works for the Authority. Mr. Hawk answered yes. Mr. Musser noted that there are right-of-ways on Loop Drive that feed into this property that could be utilized. He noted that there is an auxiliary parking lot at Brightbill Park that could be utilized. He explained that he is requesting that Ronca use Irene Drive for morning and evening trips only. Mr. Weaver noted that the Township is limited as to how they can direct the work of a contractor. He noted that they have a deadline and the contractor must complete the work within that time. Mr. Wolfe noted that the Township could ask. Mr. Musser noted that it could be asked if they could provide some consideration for the people. He noted that it would have been nice if the people on Irene Drive could have provided some input on this decision. Mr. Crissman suggested that this is the best that the Authority can offer at this time as it is limited in what it can do.

Mr. Weaver noted that there are driveways on all the streets that they are working on, and part of the problem is the street width and how much material you can store in the street without causing a traffic hazard. He noted that they are going back to the yard for the materials that they can store in the street, but since they work so quickly, and it requires so much material they are limited as to how much they can store in the street. He noted that he could speak to Ronca about minimizing the traffic, especially when the work is further away. He noted that when the work is further from the yard, he would suggest that Ronca would stockpile more supplies in the street. Mr. Musser suggested that stone could be stockpiled in the Brightbill Park parking lot. Mr. Shannon explained that he talked to Mr. Luetchford about using Brightbill Park and although they are storing pipe at that location, but he did not want stone dumped in that area.

Mr. Seeds questioned when Irene Drive will be paved. Mr. Musser noted that even when the road is paved, it will not solve the problem. He questioned if the Board members knew how long his yard, driveway and sidewalk have been ripped up. He answered that it has been seven months, and questioned if this seemed a little excessive. Mr. Seeds questioned if the sewer work was done. Mr. Musser answered that it has been done for months. He questioned how the bid for paving could include the alleys in Linglestown and Irene Drive. He questioned why a separate bid for Irene Drive's paving was not put out months ago. Mr. Seeds noted that the work was lumped together as one project. Mr. Musser questioned why. Mr. Seeds noted that it would be easier and cheaper to do it that way. Mr. Musser questioned if the Board received a separate price for Irene Drive, and how much money the Township saved. Mr. Seeds noted that they were lumped all together in one bid. He noted that it is normally cheaper to do it that way. Mr. Musser questioned how much the Township saved by doing it that way. Mr. Seeds noted that he did not know. Mr. Musser noted that the road could have been paved months ago. He requested that it be the first job done as part of the bid packet. Mr. Hawk noted that they will not be able to correct the entire situation. Mr. Weaver noted that the yards and sidewalks and restoration follows PENNDOT standards, planting schedules, noted that all the paving must be done by October 15th of the year. Mr. Musser noted that he is not speaking about the lateral; he is talking about his front yard, up against the road. He noted that he lost 15 feet of his front yard. Mr. Weaver noted that the yards will be done as part of the paving contract as there is some contouring that needs to be done because of the redesign of the road, and that is why they requested to do the yard restoration after the road work was completed. Mr. Musser noted that you cannot do the yard

until the edge of the road is established, but the road could have been paved months ago. Mr. Seeds suggested that they do not try to do the yards during the heat of the summer. Mr. Musser answered, yeah they did. Mr. Seeds noted that they are putting down topsoil and seeding in his neighborhood.

Mr. Weaver explained that he had the Board members tour the area during Road Tour as it was somewhat of unusual replacement project because it was excessively deep, the deepest sewer to be repaired in the next four to five mini-sewer basins and because the road was previously blasted, the road caved in and there were some major issues not normally encountered when doing sewer replacement. Mr. Musser noted that he knew the project ran into some unforeseen things, but once it reached a certain point, near the Schiffhauer's home, the trench held and that was in March. Mr. Weaver noted that he received a recommendation from Mr. Robbins, the Public Works Director, to do something different. He explained that he bid various projects for the paving to save money outside of the sewer contract to save 15% of the markup costs. He noted that Mr. Robbins requested to have that portion of Irene Drive paved a year in advance due to the road conditions. He noted that he understands that it has been a long time for the residents. Mr. Hornung explained when the Authority works a neighborhood, it does not pave until the entire project for the neighborhood is completed. He noted that Irene Drive was not due to be paved until next year. Mr. Musser noted that he is not asking for it to be paved, only to put a base coat down, skim coat it or something. Mr. Hornung noted that is paving. Mr. Musser noted that the Authority has to eliminate the dust. Mr. Hornung noted that he knows that but what he suggested to do is paving. He noted that is why the Authority has moved the paving for Irene Drive forward on the schedule to do before winter. Mr. Musser noted that it could have been moved earlier. Mr. Hornung noted that he is not going to sit here and argue about when it is good or not, but the key is that the Township may have some control over Ronca and it will exert whatever pressure it can on Ronca to try to come up with outside sites to store supplies to reduce the daily trips. He noted that he will try to ensure that paving Irene Drive is first on the list. Mr. Musser questioned if there is any projected date. Mr. Hornung noted that Mr. Robbins could call Mr. Musser with the date. Mr. Musser noted that the Pennzsuppress will dissipate in two to three weeks. He noted with regular car traffic it would hold up much longer, but with the construction traffic, it is just a cloud of dust in the neighborhood. He noted when it rains, black streaks run down his home, and he knows that no one will come out to power wash his home. He noted that

he will have a seam in his driveway, two different colors for his sidewalk, and his lamppost and mailbox are busted, in addition to losing 15 feet of his front yard.

Mr. Seeds noted that he has dust in the front and back of his home. Mr. Musser noted that Mr. Seeds voted for that project, and he did not vote for the work to be done in his neighborhood. He noted that it has not been dusty for seven months in the alley. Mr. Hornung noted that he did not vote for the sewer work. Mr. Musser requested the Authority to do something. Mr. Hawk requested Mr. Weaver to get back to Mr. Musser with some answers.

Board Members' Comments

No Board members provided any comment.

New Business

Review of the 2011 Draft Budget

Mr. Weaver noted that he would like to review the budget narrative and point out any new items that have changed this year.

Mr. Weaver noted that the line items for revenues are standard, noting that the only thing new from last year is found in the Build America Bonds Subsidy for the interest as part of the \$42 million bonds that were issued last year. He noted that he would reference the sewer rates in Mr. Wendle's report for alternative sewer rates. He explained that he listed the sewer rate at the current rate of \$116 per quarter, tapping fees, \$250,000 based on current estimates of 98 EDU's at the end of 2010, noting that he would carry the same amount into the 2011 Budget. He noted that interest income is good. He explained that the reimbursement is much higher than seen in previous years at \$800,000, noting that it typically has been \$10,000 to \$20,000 from PENNDOT. He explained that the reimbursement from the Swatara Township Authority is expected to be \$790,000, and Mr. Tom Smida, Bond Counsel, recommended that these funds be deposited to the PLIGT ARM account for capital improvements, and not allocated to the operations fund. He noted that the escrow reimbursement is standard noting that development which has been slow with the downturn of the economy. He noted that he expects to have \$40,000 at the end of 2010, and projected the same for 2011 Budget. He noted that this provides for total revenue of \$13,885,267.

Mr. Weaver noted that the operating fund expenditures for the management reimbursement account has been updated to include the standard increase for the bargaining unit agreements, I&& Crew expenses that are charged back to Fund 37, and an engineer is also listed for this year. He noted that the Authority has been unsuccessful in hiring an engineer, but someone has contacted him who is interested in this position. He noted that there are no changes with offices expenses, noting that computer costs are relatively the same but he anticipates leasing new software that would allow him to do electronic transfer of funds on a daily basis to the bank. He noted that Audit fees are subject to change as the Township is looking to retain a new auditing group this year; therefore the fees are unknown at this time.

Mr. Weaver noted that the Department of Environmental Protection (DEP) fines are based upon an estimate of wet-weather events. He noted that he usually budgets for 25 overflows per basin per year. Mr. Seeds noted that last year's budget was \$17,500 and this year it is \$28,500. He questioned if he expects more violations in 2011. Mr. Weaver answered that he cannot predict the weather, and it fluctuates from 17 to 40 overflows so he projected for the middle road being a little more conservative. He noted that the Authority is doing much better with the interceptor upgrades that have been completed over the past two or three years. Mr. Seeds noted that Mr. Weaver raised the fund by \$11,000. Mr. Weaver answered that he can't predict the weather, and that he is more conservative in the expenditures and less conservative in the revenues so he would like to budget more since he does not know how many wet weather events will occur. Mr. Hawk questioned if the Authority has been as high as \$40,000 in a year. Mr. Weaver noted that his budget has been as high as \$40,000 when you review the data. He suggested that the number could be reduced a little bit, especially since Mr. Whittle will show that the overflows continue to decrease. Mr. Crissman suggested that Mr. Weaver should compare the actual costs for the past three years, and use the mean for the budget. Mr. Weaver noted that he would look into reducing the amount.

Mr. Hornung questioned when the last time the Authority experienced an overflow was. Mr. Weaver answered that the last one occurred in May, 2010. Mr. Whittle noted that the Township typically experiences three storms per year resulting in significant overflows. Mr. Hornung noted that there has been a fair amount of rain recently but the ground water level must be low. Mr. Whittle noted that there was a storm event in January of 2010, and then the next occurred in May 2010. Mr. Hornung questioned where the overflows occurred. Mr. Weaver

answered that there are a few in Spring Creek, and as part of the design discussion for tonight, another mini-basin in Spring Creek needs to be addressed. He noted that the overflows for Beaver Creek and Paxton Creek have been reduced significantly resulting in three or four in Beaver and Paxton Creeks. Mr. Hornung questioned if the overflows are occurring in the lower end. Mr. Weaver answered for Paxton Creek they are no longer in the lower end due to the interceptor improvements. Mr. Shannon noted that he has a PowerPoint presentation that will show that data later in the meeting.

Mr. Hawk questioned if the Authority still owns the land in Susquehanna Township. Mr. Wolfe answered that it does, and it has been approached several times to sell it but the deals did not go through. He noted with the current climate, it is not a good time to sell the property.

Mr. Weaver noted that the engineering services are standard and Mr. Wendle has provided a detail report for his services. Mr. Seeds noted that the listed numbers in legal services do not add up. Mr. Weaver noted that he added additional funds in anticipation of additional litigation with South Hanover Township. Mr. Weaver noted that the legal services are for the collections account serviced by Gary Imblum. He noted that the bond fees, telephone, and alarm fees are standard. Mr. Seeds noted that those fees do not add up also. He noted that the postage fees do not add up. Mr. Hawk suggested that it is high for postage. Mr. Weaver noted that he reduced the fees by using a new vendor who could provide a lower bulk fee. He explained that he may provide discussions to the Board about hiring another company that does more intense mailing with the outsourcing of the printing and providing access for a two-page newsletter every billing quarter. He explained if the Authority did its own mailing it would be much higher than \$34,000. Mr. Crissman suggested that the bills could be emailed. Mr. Weaver noted that this new company provides this type of service.

Mr. Weaver noted that legal advertising is standard with all the construction that is ongoing. Mr. Hornung questioned what the legal requirement was for posting the Board meetings and could the announcements be included in the mailings. Mr. Wolfe explained that most of this line item is for bid advertisements. He noted that a meeting schedule advertisement is done once a year in The Paxton Herald, unless a special meeting is called.

Mr. Weaver explained that he is securing quotes for insurance however most agents cannot beat the current rate provided to the Authority for the voluntary claim coverage of \$2,500 per house back up provided by Brown and Brown. He noted that the rent and general services are

paid to the Township for use of the office space. He noted that the training and education has remained the same. He explained that real estate taxes are paid for property owned by the Authority. Mr. Seeds questioned for what properties the taxes are paid. Mr. Weaver answered that it would include the land in Susquehanna Township, and the land where the proposed wet weather treatment plant is to be built. He noted that the total for administrative expenses is \$2,286,864.

Mr. Weaver noted that the Sewer Operations for facility and supplies is unchanged, and the gasoline budget is a little higher. Mr. Hornung questioned why. Mr. Weaver explained that he is intensifying operations in the second half to include additional flushing, and the I & I crew are busier, so he expects staff to use more gasoline.

Mr. Weaver noted that uniform service and the tool line items have remained the same. He noted that the electric, gas and water service bills are relatively the same. He noted that most of the vehicle maintenance work is done in-house. Mr. Wetzel explained that vehicles are also taken to Hoffman Ford or another local garage. Mr. Weaver noted that purchase of major equipment is typically zero, however, this year he would like to purchase a new flusher unit. He noted that the current equipment is almost 15 years old. He noted that staff recommends to purchase a camel sewer flushing/vactor combination truck. He noted that this machine can do many different functions that the current machine cannot do. He noted that the vactor would provide additional services to do catch basin cleaning, wet wells, and also has an attachment for hydro excavating. He noted that it is a very useful tool especially for working on private property. He noted that it would be a big expense on the front end. Mr. Wetzel noted that this is the first price that he has received and he will continue to get more prices. He noted that a demonstration is set up for Tuesday, August 31st, and if anyone is interested in seeing it they are welcome to attend. He noted that many municipalities are going with this type of equipment as it has a dual function for Public Works and the Sewer Department. He noted that it is a much needed piece of equipment and it is used every day. He explained that current piece of equipment would cost \$40,000 to \$50,000 to repair. Mr. Seeds questioned if the old machine would be sold. Mr. Wetzel noted that he would like to keep it, but it is the Board's decision. He noted that some salesman have told him that they will take a trade-in for the truck, but he noted that they would not give him what it could be sold for outright. Mr. Hawk questioned if staff could use the old machinery affectively without the \$50,000 in repairs. Mr. Wetzel answered no. He explained that

the flushing aspect of the machine, to include all the components that make up the hydraulic unit as well as the hoses, belts, etc. need to be repaired. He noted if you would spend money on the revamping of the pump and increase the pressure of the vehicle, then you would need to fix all the hoses and do a complete engine rebuilt of the system. He noted that he has been told that the transmission is undersized for the truck for what it does. He explained that the truck carries water and the engine gets really hot. Mr. Seeds noted that it would be a COSTAR's bid for this equipment. Mr. Wetzel noted that he was told that this is the ballpark figure for this type of machinery.

Mr. Weaver noted that the sub-total for operations is \$433,000 and most of it would be for the purchase of the new flusher truck. He noted that he would be able to provide some final pricing for the Board at its next Authority meeting.

Mr. Seeds questioned if the work that the new machine would do is not being done, or has it been contracted out and the Authority is paying more than what it would cost if it was done in house. Mr. Wetzel answered that some of the work is contracted out, noting that yesterday, Public Works hired Kline to do some work adjacent to the Municipal Center. He explained that he has to rent the same truck every year to clean out the wet wells. He noted that the truck could be used to clean the sludge from the treatment plant that is currently contracted out at \$400 a month to Walters'. Mr. Seeds questioned what we would do with the sludge. Mr. Wetzel answered that he would have to contact the City of Harrisburg or Derry Township to see what they would require in order to transport the sludge to them. Mr. Wetzel noted that Walters' charges the Authority \$400 per month, and they apply the sludge on their own land. Mr. Weaver noted that Walter's has a contract for the package plant as well.

Mr. Weaver noted that the other line items for operations are the electric pump stations, Springford Village Treatment Plant, sewer maintenance costs, PENNDOT expenses, Water-pump stations and pump station maintenance. He noted that most of these items have remained relatively the same from 2010. He noted that the sewer maintenance costs have been reduced since the Public Works Department has done less paving over the past few years. He noted that the pump station maintenance has decreased greatly with the upgrades to the Beaver Creek, and Linglestown pump station and the installation of a new pump for Gale Drive pump station. He noted that the total for this category is \$215,100.

Mr. Weaver noted for the transmission line items, the Swatara Authority Flow Surcharge

is \$24,000 base upon wet weather. He explained that the Swatara Transmission and Treatment is budgeted at \$1,600,000, however, their budget is not available until the beginning of November, and he does not anticipate any increase in their rates until 2012. He noted that for the City of Harrisburg, \$3,400,000 is budgeted, noting that this does not include any past due amounts from 2007 through 2009. He noted that he does not anticipate an increase in that rate until 2012. Mr. Hawk questioned what the status of the sewer bill issue is. Mr. Weaver explained that an appeal was filed to the Right-To-Know (RTK) Office, and he suggested that a decision is due any day. Mr. Stine noted that he received an email this date from Attorney Jim Clippenger, that the determination was made and the Authority won its appeal. Mr. Seeds noted that the City of Harrisburg did not provide the municipalities what they requested. Mr. Stine answered that was correct; however, the City could always appeal to the Court of Common Pleas in Dauphin County or provide the documents. Mr. Stine noted that the Authority has not heard a word from the City of Harrisburg in regards to the overdue bill.

Mr. Weaver noted that the Paxtang Transmission is \$12,000 providing a total of \$5,036,000 for Transmission and Treatments costs.

Mr. Weaver noted the Debt Service Schedule is listed for all current debt, noting that a consolidation of the debt was provided by Boenning and Scattergood after the purchase of the Build America Bonds (BABS) in 2009. He noted for the PennVest Principal and Interest, Boenning and Scattergood had anticipated the entire project being completed and the Authority would be responsible for paying the principle, however, the projects will take two years and the Authority is only required to pay on the interest as the money is drawn. He noted that Mr. Wendle estimated that the Authority will draw \$8 million, and at the current interest rate of 2.445% for the first five years, it would be \$200,000. He noted that the original budget figure was \$800,000, so it will result in a huge savings for 2011 Budget.

Mr. Crissman questioned how that would play out in the overall long-term debt service. Mr. Wendle noted in the long-term, it remains the same. He noted that Boenning and Scattergood projected the payments to start the later part of this year, however, they will not start until the first part of 2011, and then all the remaining payments will be the same. He noted that the Authority would start to pay the final debt service in 2012. Mr. Crissman questioned if that would be substantially higher. Mr. Wendle noted for PennVest, you only pay the interest during construction, but when the loan is finalized, the 20-year amortization schedule would start. Mr.

Weaver noted that he did not have enough time to have Mr. Falgione make the corrections in time for the budget presentation.

Mr. Seeds questioned how much money is in the bank. Mr. Weaver answered that there is roughly \$8.5 million in cash, and the BABS has \$40 million. Mr. Wolfe noted that there is PennVest funds to draw from. Mr. Wendle noted that amounts to an additional \$12 million. Mr. Seeds questioned what the total debt is. Mr. Weaver noted that it is included in the audit and he did not know what it is. Mr. Wendle noted that the PennVest debt service will be less than it was originally projected at as Boenning and Scattergood had projected paying it off in 15 years but he reminded them that it was for a 20-year period. Mr. Seeds questioned if the Authority received permission to build the wet weather treatment plant, how much more would the Authority need to borrow. Mr. Weaver noted that it is included in Mr. Wendle's rate schedule, noting that the total was estimated at \$75 million, but that number would probably decrease due to the current bid market. Mr. Wendle noted that the bonds for 2002, 2006, and 2009 will be paid in 2022.

Mr. Weaver noted that the total debt service includes a deduction of the capitalized interest of \$876,732, providing for a debt service of \$4,980,357, noting the actual debt service includes the deduction of the BAB's interest of \$936,262 subsidy providing an actual debt service of \$4,044,095. He noted that the total Authority expenditures are \$12,951,321.

Mr. Weaver noted that there is only one item included in the capital projects and that is the Beaver Creek Act 537 SSO Improvements in the amount of \$1,033,000. He noted that this would cover the purchase of capacity of 100,000 gallons from Swatara Township and 100,000 from Hummelstown. He explained that he will schedule meetings with both authorities to discuss purchasing the extra capacity. He noted that the budget price was rated at \$5 per gallon; however he needs to do additional research on this price as it was provided to him by the Swatara Authority. He noted that he will check on the actual purchase price for the capacity from West Hanover Township.

Mr. Hornung questioned if the Authority purchased the additional capacity would it still be required to build the Beaver Creek Treatment Plant. Mr. Wendle answered yes. He explained in the event there was a problem with building the plant; he has proposed amendments to Swatara Authority agreement in the event the 200,000 gallons of additional capacity was purchased. He noted that the treatment plant has been upgraded in terms of its peak flow capacity, noting that they have a maximum monthly flow that is higher. He suggested that the

Authority not only wants the additional 200,000 gallons of capacity, but it does not want to exceed the maximum monthly amount. He suggested that the Township would not have to wonder if they would put a stop on building permits. He noted if you did build the plant, it would provide for additional flexibility allowing more flow, treat the 2.5 MGD and still send more to the Swatara Treatment Plant. He noted if the Authority was never able to build the plant, and it had to do storage, it would have an impact on the amount that you would have to store. Mr. Hawk questioned if Swatara Township bought West Hanover Township's capacity. Mr. Wendle answered that they bought it all, and then sold a quarter of it to Verdelli Farms. Mr. Wolfe noted that he did not remember what the Swatara Authority paid for it but suggested that it might have been sold for \$.50 per gallon.

Mr. Seeds noted that originally the LP Authority offered \$700,000 to West Hanover Township Authority for their capacity, but they rejected the offer. Mr. Wolfe suggested that they wanted to sell it for \$3 per gallon, at a total cost of \$1.2 million. Mr. Wendle noted that these costs do not include the upgrade costs to the Swatara Treatment Facility. Mr. Seeds noted that Mr. Wendle was to write a letter to the Swatara Township Authority requesting a change to their criterion for the capacity, requesting that the Lower Paxton Township Authority be provided with more capacity. He questioned if this was regardless of the Authority purchasing more capacity. Mr. Wendle explained that he did that. Mr. Weaver explained that Mr. Wendle is drafting agreement language and some of the changes are included in the packet. Mr. Shannon noted that CET did not write a transmittal letter; however, they were working on a proposed amendment. Mr. Weaver noted that Mr. Stine, Mr. Wendle, and he are negotiating this with the Swatara Township Authority.

Mr. Weaver noted that there are additional line items in the Sewer System Mini-Basin Rehabilitation Program, and that he would review these projects as part of the Township Report. He explained that \$6,000 has been budgeted for research and development for the under slab repairs. He noted that PC 4B was the first mini-basin project bid under the new corrective action plan, and 75% of that project is budgeted at \$3,332,000 to be completed in 2011. He noted for PC-1A, 50% is budgeted in 2011 at \$802,000; SCIC, 80% is budgeted at \$2,460,000; SCIE total replacement engineering only is budgeted in 2011 at a cost of \$38,000; PC2D, 75% is budgeted in 2011 at \$1,153,000; PC6C, 6% is budgeted in 2011 at \$200,000; and PC2C, 80% is budgeted in 2011 at \$2,756,000. He noted that no costs were budgeted in 2011 for PC-3D, BC-1A, and

PC-5C Clear Water System. He noted for Asylum Run, 50% was budgeted in 2011 at \$1,742,500 and PC-3B, \$5,000 is budgeted in 2011 for close out costs. He noted that mainline external repairs are normal maintenance estimated at \$75,000 and metering is budgeted at \$100,000. He noted that \$29,000 is budgeted for the continuous development of the GIS Program, and \$35,000 for engineering for the meter data analysis. He noted that \$11,000 is budgeted for meetings, management, and assessment and reporting for the Consent Decree. He noted that no construction is plan for BC-6A, however \$26,000 is budgeted for engineering, and another \$36,000 is budgeted for engineering for BC-6C. He noted that staff continues to remove sump pumps in the PC mini-basins with a budget of \$4,000. He noted that the subtotal of all I&I projects for 2011 is \$12,812,000, noting a total capital fund of \$13,845,000.

Alternative Sewer Rate Increases

Mr. Wendle noted that Alternative A Rate Schedule shows projected rates of \$116 in 2010, and increases over the next six years to \$125, \$135, \$150, \$150, \$155, and \$165. He noted that this rate schedule provided a surplus of \$134,000 as opposed to a deficit due to the PennVest funding. He explained that there is more in the bank than what was anticipated last year, noting that it was \$6 million, but based upon the audit it should be closer to \$8.4 million. He noted that the parameter was to maintain a reserve of between \$4.5 million to \$6 million. He noted that a large jump in expenses is shown between 2011 and 2012, due to the City of Harrisburg improvements. He noted that all operating and administrative expenses are inflated 3% for each year. He noted that rates of \$116 per quarter provide an income of \$11,400,000. He noted that the operating surplus for 2013 provides for cash reserves of \$5,600,901. He explained that he was instructed not to increase the rates by more than \$10 per quarter. He noted for 2016, the cash reserves are projected to be \$4,915,750 at a sewer rate of \$165 per quarter.

Mr. Weaver noted that although the budget shows a surplus of \$933,941, actual cash for surplus for 2011 is \$133,941 since Mr. Smida is requiring that \$800,000 be put in the PLIGT ARM account. He explained that it cannot be used for cash as it if only for capital projects. Mr. Wendle noted that the \$800,000 was capital funds to be spent only on capital expenditures.

Mr. Wendle noted for Alternate B, the only difference is that you could hold the line for a year and continue to have a surplus.

Mr. Wendle noted that a question was asked about future borrowing, and he suggested to

borrow again in 2014, but to have the debt service start in 2015. He suggested that those numbers could be pushed out, but for now 2014 and 2015 have the new debt service included.

Mr. Weaver noted that he was looking for direction from the Authority Board members in regards to the budget and the next sewer rate increase. He questioned if the Board members would like to see other alternatives, although Mr. Wendle has used the guide provided to him to calculate the increases. Mr. Wendle noted that the Authority is a little better off than what was originally projected in terms of the sewer rate. Mr. Weaver explained, for the items the Authority had control over, it is doing a good job of staying on schedule, but for those items that the Authority has no control over, it makes him very uncomfortable. He noted that Mr. Wendle is judging the City of Harrisburg's rate increases based upon their Act 537 Plan. He noted that Mr. Wendle spoke to their engineer, and was told they plan to start the work in 2012 for Phase 1 & 2, to have it completed by 2013. He noted that before the Harrisburg Authority takes on the debt, it must get the approval of the Harrisburg City Counsel for the rates. He noted that they are under restrictions from the State and the State will be putting pressure on them to move ahead. He noted that he is confident that the expenditures will occur and the only unknown in his mind is the City of Harrisburg and the Wet Weather Treatment Plant.

Mr. Seeds noted that the sewer rates were not raised in 2010. Mr. Weaver answered that was correct. He noted that raising the rate in 2011 would depend on how much cash the Authority wants to have on hand. He explained that the Authority has a balance of \$8.5 million. Mr. Seeds noted that he is in favor of letting the rate remain at \$116 per quarter. Mr. Crissman noted that he likes Alternate B, raising the rate to in 2011 to \$120 per quarter. Mr. Hawk agreed. Mr. Hornung noted if the Authority has a surplus and you raise the rate, would it not look odd. Mr. Blain noted that it would be no different than raising taxes for the Township when it has a surplus. Mr. Wolfe noted that the increase would account for future capital projects. Mr. Seeds noted that it would provide for a \$4 raise and the rate payers would complain. Mr. Wendle noted if the rate was not increased in 2011, then in 2012, you would have to raise it \$9. Mr. Crissman suggested that it would be more palatable to raise the rate a little at a time. Mr. Blain noted that it would only be a 3% increase in the rate for the year. Mr. Wolfe noted that it would be 3% for two years. Mr. Blain agreed that it should be raised to \$120 per quarter. Mr. Weaver noted that he would make the adjustment to the budget.

Resolution 10-21 for destruction of specific records

Mr. Weaver explained that Resolution 10-21 is for the destruction of specific records that the Human Resource Manager has reviewed and according to the Records Retention Schedule adopted by the Authority Board, they are eligible for destruction.

Mr. Crissman made a motion to approve Resolution 10-21, for the destruction of specific records as identified in Appendix A. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Review of the proposed Developers Agreement for the Oakhurst Interceptor

Mr. Weaver noted that the Susquehanna Township Authority has requested that the Lower Paxton Authority review the concept of entering into the sewer extension agreement with Susquehanna Township Authority and Donco Construction, Inc., for the Oakhurst Interceptor. He noted that this project has been on and off the table for many years and Donco Construction, Inc., has met with Susquehanna Township Authority to determine a cost for the project. He noted that Susquehanna Township Authority, Lower Paxton Township Authority, their engineers and solicitors have developed a plan to accommodate the developer that results in a good arrangement for each authority that will save each authority some costs in the initial construction of the interceptor. He explained that the contractor is willing to construct the interceptor at his cost with the caveat that the Authorities pay for the increase size of the pipe. He noted that his needs are only for his development, and the Authorities needs are to service their communities. He noted in return for his work, he requested that he would receive some reimbursement under the tapping fee law for future tie-ins. He explained that whenever a connection was made, a reimbursement agreement would be signed whereby Donco Construction Inc., would receive some reimbursement.

Mr. Seeds noted that he did not understand this in that the Authority would be paying the extra cost for the larger diameter pipe and reimbursing funds to Donco. Mr. Wendle explained that the Authority would purchase pipe and give it to Donco Construction, Inc., because it cannot provide money to the contractor, but it could provide the pipe. He noted that, originally, it was discussed to share all the costs based on flow, noting that the majority of the flow for this interceptor comes from the Gale Drive pumping station, and it would also include the Union

Deposit Corporation allowance in Lower Paxton Township. He noted that Donco has to build the interceptor using a 8 inch pipe, so the two Authorities agreed to basically obtain the right-of-way, and share the design costs. He noted that it was suggested that Donco would pay for all the construction and Lower Paxton would pay the difference in pipe size, noting that the Gale Drive Pump Station necessitates the increase in the size of the pipe. He noted that it provides for a smaller contribution than basing it upon the flow contribution. He noted that Donco agreed to this, noting that he wants each Authority to set up a reimbursement tapping fee for the Union Deposit Corporation land in Lower Paxton and Susquehanna Township and other undeveloped land in Susquehanna Township. He noted that it would be based on his costs to lay the pipe minus his development costs. He noted that the law states that the only time you have to provide a reimbursement component is a hook up is made directly to the lateral. He noted that this would be for future development tying into the pipe that he placed. He suggested that the additional tapping fee would be paid by developer who should pay for their share in the sewer construction costs. He noted that the Authority would also be able to recoup its costs by adding a special purpose tapping fee where it could calculate its costs for the right-of-way, pipe, design, and inspection and divide it by the number of possible homes it would expect the Union Deposit Corporation to build. He noted that Susquehanna Township could also do the same.

Mr. Seeds noted that Donco is going to pay to install the pipe for their development. Mr. Wendle answered that it would cost about \$290,000. Mr. Seeds questioned why the Authority would provide tapping fees to Donco if the Authority is going to buy the larger pipe,. He noted that it is not costing Donco any additional money, since they would have to install the pipe anyway to take care of the development they want to build. Mr. Wendle noted that Donco is asking that the Authority pass a reimbursement tapping fee to be levied on anyone who ties onto that system, and benefits from Donco installing the pipe. He noted that the Authority would keep 5% of that special taping fee.

Mr. Seeds noted that the Authority did not do that for any other group. He questioned what if any other developer, who install sewer line for their development request the same taping fees. Mr. Wendle noted that the Authority could require it if the first developer requested it. Mr. Seeds noted that he did not know why the Authority would agree to this. Mr. Wendle noted that it is not a collection system, rather a fairly long interceptor system, resulting in a reduced expense to Lower Paxton Authority. He noted that other than the pipe increase, Donco is not

asking for anything other than to have future developments in the Township's share in that cost. Mr. Stine noted that this would not cost the Authority anything extra because the developer who benefits from connecting to the interceptor will have to pay the regular tapping fee to the Authority as well as the extra tapping fee to Donco. Mr. Seeds questioned why the Authority should put extra costs on someone else. Mr. Weaver noted if the Township had to do the project itself, it would cost too much. He noted that the upfront cost to the Authority is less and that is good for the Authority. Mr. Seeds questioned if Donco will do the project regardless of tapping fees. Mr. Weaver answered that they will build the development to make some capital gains from it. Mr. Stine noted that the Pennsylvania Municipalities Planning Code entities Donco to a reimbursement component. He noted if they build a line, and people connect to it, they are entitled to a reimbursement. He noted that whether or not they request it is their business. Mr. Seeds questioned Mr. Stine if it is his recommendation to agree to this. Mr. Wendle answered that he did not see any reason not to agree to it.

Mr. Seeds noted if a developer wants to develop his land he would have to pay the tapping fee of \$2300, and he questioned what the additional reimbursement fee would be. Mr. Weaver noted that Donco would be recouping part of their \$274,000 cost to install the line. He noted that it would not be a huge amount per connection. Mr. Wendle noted that it would be agreed upon by the projected EDU's that are tying on, noting that there would be roughly 1,000 EDU's from Union Deposit Corporation, 200 EDU's from land in Susquehanna Township, and another 120 EDU's from another project in Susquehanna Township. He noted if you divide 1,400 EDU's into \$274,000 it would work out to be approximately \$200 more in tapping fees.

Mr. Seeds noted that the pipe would be sized large enough to take care of any future development within that basin area. Mr. Weaver noted that was part of the Act 537 Plan.

Mr. Weaver noted that it would save the Township money since a builder could build it much cheaper than the Township could. Mr. Wendle noted that they have struggled with the right-of-way for a long time and one of the conditions that Mr. Vartan's son made was that it had to be constructed in three years from the time the right away is signed. He noted that neither Authority wanted to take a chance on that agreement and Donco decided to move ahead, and agreed to put in the pipe in order to secure the right-of-way. Mr. Seeds noted that Donco wants a 15-year agreement that all taps within that time period after the project is completed they would be reimbursed for their work. Mr. Weaver answered that it was only ten years. Mr. Wendle noted

that Attorney Jim Clippenger suggested, if Donco could show good cause, there could be some consideration for extending the time period past the ten years. He noted that this was not promised to Donco, and after the ten years, only the normal tapping fees would be accessed.

Mr. Weaver explained that the Susquehanna Township Authority wants to know how the Lowe Paxton Township Authority feels about this contract. Mr. Seeds questioned if Susquehanna Township is okay with it. Mr. Weaver answered yes. Mr. Wendle noted that the Susquehanna Township Authority Board has not met yet. He noted that Mr. Stine has reviewed the document.

Township Reports

Second Consent Decree DEP Annual Meeting

Review of the DEP Annual Meeting Presentation

Mr. Weaver noted that the Second Consent Decree Annual Meeting with DEP is scheduled for August 26, 2010 at 9 a.m. He noted that CET would like to provide an overview of the annual presentation, high lighting some areas of change. He explained that he would ask DEP how much information they need to have since the Authority is on schedule for the Paxton Creek improvements.

Mr. Alton Whittle noted that there are a few questions that tie into the Engineer's Report as well as the memo in regards to future project areas. He explained that he provided a memo from Mr. Shannon and himself regarding BC-6. He noted that a few of the areas in BC-6 will require more rehabilitation than what was originally thought. He noted that this is needed to reduce the flow coming from Trunk "H" into the Nyes Road Interceptor Improvement Project. He explained it is in the area of the current Locust Lane and Nyes Road construction project. He explained that it was recommended to install a dual interceptor to reduce all the flows coming from BC-6, 7, and 8 down to a point of no overflows. He noted that approximately 2,000,000 gallons of peak I&I would have to be removed to make the interceptor improvements work. He noted that BC-6 is one of the two highest basins in Beaver Creek in terms of excess I&I flow that has been measured over the past events. He noted that staff has discussed how they could incorporate a significant amount of that basin to reduce the flows sufficiently. He noted that it would involve BC-6C and BC-6A and a portion of BC-6B. He explained that there is no need to rehab the entire BC-6 basin at this time; however he would like to tie this work in with SC-1E.

He noted that this would be a defined project and the other part of BC-6B is located on the north side of Route 22 which would be included in with the PC-5D and PC-5E project in the future.

Mr. Whittle noted that the Authority is experiencing overflows in SC-1E in Spring Creek, even after the successful removal of I&I in SC-IF and SC-1I. He noted that there was a number of un-metered overflows prior to doing the work so it was unknown if the work would solve the overflow issues. He explained that all are now metered, but SC-1E is still a high overflow basin with overflows occurring at manhole 233. He highlighted BC-6 on the map and explained that it is the area that they would like to include for future rehabilitation.

Mr. Whittle noted that page 26 of the Power Point Presentation shows the overflow. He noted that there are three areas experiencing overflows in Spring Creek, and if the restrictor is removed then two of those areas would go away. Mr. Seeds questioned if staff was waiting on an answer from DEP. Mr. Whittle answered that the Swatara Township Authority has agreed, if the Authority does not send them more than 6.5 mgd, which is what the Township has measured historically over the large storm events, anything short of a flow level that is an excused event by DEP, typically because of a declaration of emergency by the Governor, then the restrictor could be removed. He noted that Swatara Authority has modeled their lines and they would be okay with that number, and they are okay with the flows surcharging slightly but not causing any basin backups for overflows in their system. He noted as long as DEP is in concurrence and does not post any planning module restrictions due to surcharging to them, Swatara will be okay with it. Mr. Weaver noted that DEP supports getting rid of the restrictors; they just want Swatara and Lower Paxton Authorities to agree on it. He noted that would not occur until they agreed to do the model, and it has been done, in fact it was done three times. He noted that the Lower Paxton Authority paid for the modeling that the Swatara Authority did.

Mr. Whittle explained that manhole 233 had a significant amount of overflows removed from SC-IF producing a flow level of 1,000 MGD at a peak or large event. He noted that SC-IE continues to contribute 7,000 MGD during a peak weather event and the pipe in the area is exceeded during high flows. Mr. Wendle noted that March 5, 2008 was the largest event recorded outside of an excused event, and it changed some of the data that he had. He noted that that event impacted BC-6C, noting that when he looked at the Nyes Road improvements, the original plan proposed installing a shallow overflow interceptor but he could not make that work with that large event. He explained that is why I&I needs to be removed from BC-6C. He noted

that localized flooding as well as I&I contributed to this overflow. He noted that DEP would not consider it as an excused event because it was not area wide. Mr. Weaver noted that he may choose to open that discussion again with DEP because they have been willing to discuss this issue. Mr. Wendle noted that previously there were a number of overflows in the area. He explained that CET completed the model up to where it meets Lower Paxton Township, and they have also completed a second model that covers from the Township line to manhole 240 and manhole 430. He noted that they have verified with the meter data that the pipe is sized adequately for regular flow, but not for excessive flow.

Mr. Whittle noted that the last area of overflow is located at manhole 418.01, and it is experiencing a slight overflow. He noted that he modeled the area providing flow data, and this pipe is at capacity during normal flow. He noted that all the basins are relatively low when it comes to peak excessive flow, but any addition causes it to overflow. He explained that there is a section of four or five sewer runs in this area that at a very shallow slope and when they get any extra flow they tend to spill. He noted that staff cleaned the lines and found that there were no issues with tree roots in this area. He noted that CET's recommendation is to increase the pipe capacity in that section. Mr. Seeds questioned if the elevation of the pipes could be lowered. Mr. Whittle answered no, as you would have to lower all the pipes for the entire section below. He noted that the possibility of pipe bursting was discussed. He noted that these are the three areas of design that are discussed in the memo, and these are the outstanding issues in the update report for DEP.

Mr. Seeds questioned what pipe bursting would do. Mr. Whittle answered that it would increase the pipe diameter. Mr. Weaver noted that there is an intensive amount of forest in the area, close to a community, noting that a large amount of trees would have to be cleared. He explained that pipe bursting may be able to limit the amount of disruption to the area. Mr. Whittle explained that it would break the pipe open, and you could pull another pipe through the same space without having to dig. Mr. Wendle noted that you can increase about two pipe sizes using the pipe bursting technique. Mr. Whittle noted that the report contains these design considerations but it did not get to the Board in time to make any decisions. He noted if the Board has any thoughts, this could be added to the presentation.

Mr. Hawk noted that there are two significant and two extreme wet weather events, and he questioned how this compared to other years. Mr. Whittle answered that it is on par with other

years, noting that the Township usually has three to five events per year. He noted that the May 3, 2010 event was very significant event for this year. He noted that the May 5, 2008 was the highest event on record for an unexcused event. He noted, in terms of removal of overflows there has been a significant improvement since starting the corrective plan actions. He noted that all four of the events for this year found on the Wet Weather Event Comparison Chart would have had system-wide overflow levels, however, due to I&I work only two had overflows. He noted on December 26, 2009, there was a single overflow at the restrictor but he did not believe that it was over the agreement level with Swatara Township. He noted for the December 9, 2009 event there were no overflows at all. He noted that, historically, the level for a minor overflow was in the .30 range, and now it has been moved up. He noted if you would have had the current systems in place today back in 2000, it would have avoided 16 overflow events. He noted that the system-wide overflow level has also increased, and this would have avoided eight system-wide overflows where the Authority was paying for multiple overflows at a time. He noted that the work is having a very positive impact upon the system overflows due to some of the interceptor repairs that have been done. He noted for some of the pump stations where there would be overflows all the time, these are not occurring as a result of the I&I and basin repair work.

Mr. Whittle noted that the overflow event of May 3, 2010, had very similar characteristics to the event that occurred on March 5, 2008, with the same amount of rainfall, the same ground water levels prior to the event and afterwards, but the total volume of overflows were reduced significantly. He noted that when you look at total volume of storage in Paxton Creek, outside of peaks events, the overall volume of these events has been significantly reduced. Mr. Seeds questioned where Mr. Whittle came up with the figures found in the overflow elimination chart. Mr. Whittle answered that the Authority has a well that determines the ground water level. Mr. Weaver explained that the well was an old USGS well that they were going to abandon and the Authority took it over and put its equipment in it. Mr. Seeds questioned how you come up with the figure of 445.0' for groundwater. Mr. Wendle answered that it is the elevation above sea level. He noted that ground elevation is roughly 450' and the water elevation is 445.0' so it is roughly five feet below the ground in that spot. He noted in the late 1990's, if you plot that groundwater elevation level against flow in the Paxton Creek Interceptor, it mirrors it almost directly. Mr. Whittle noted that the groundwater matches the experienced I&I.

Mr. Wendle explained, before, when you looked at storage you had a real wide peak so everything has to be installed under the curve, but now the peak has come down some, and the area of the curve has started to shrink significantly. He noted that the storage requirements may have dropped substantially due to the peak flow reductions.

Mr. Wendle noted that the Susquehanna Township Act 537 Plan completed by HRG, Inc. found that they needed to do storage. He noted that they are considering doing storage at the bottom of the basin, which makes no sense because there is land down in that area and all the pipe would have to be replaced to get the flow down. He suggested that it would be better to put the storage in the upper end. Mr. Seeds questioned when HRG, Inc. completed the plan. Mr. Wendle answered that they just finished it and held a public hearing. Mr. Wendle explained that he is the Authority Engineer, not the Township's engineer. He noted that it would have been less expensive if they would have shared the study with Lower Paxton but they did not.

Mr. Seeds questioned if Susquehanna Township was doing a lot of I&I work. Mr. Wendle answered yes. Mr. Weaver noted that it was his plan to share capacity and the storage in the front end to save the costs of the interceptors. He noted that they did not like that idea, so that is why the Lower Paxton still owns the property in Susquehanna Township. Mr. Seeds suggested the Lower Paxton is probably at the cutting edge for the entire State with doing all the I&I work, and sooner or later, the other communities will have to follow suit. Mr. Wendle noted that Lower Paxton is in a unique position since it is restricted on the flow it can get out of the Township. He noted that the Township has decided to put in a plant for Beaver Creek because treatment is less expensive.

Mr. Wendle noted when he looked at the overflow reduction, historically there were 23 sites that have overflow within the Township, and now it is down to about 18 sites.

Mr. Weaver noted that he wants to get DEP concurrence with testing the PVC, (non-ACP), in Paxton Creek PVC areas. He noted that the rehab crew has done a good job of testing and found very successful high rates of air-test passes for the PVC pipe, therefore, it is his recommendation to the Board that he could refocus his crew in other areas, and that is why the I&I crew is working with the replacement crews. He noted that he would like to have DEP's approval for staff to conduct tests in certain areas, confirm that the PVC is not as bad as originally anticipated, and then confirm it with I&I post metering data. He noted if he gets good data he will leave the PVC alone. He explained that he would present this option to DEP to

determine how they feel about it.

Mr. Wendle noted that the borrowing from PennVest was reduced to about \$4 million, half of what was originally thought, because the bids came in lower than expected, and also because they will not pay for building sewers. He noted that those funds had to come from the money the Authority borrowed. He noted for the SC-1E work and the expansion of the lines in Spring Creek, Authority funds were used. He noted that it was thought that the overflows were to have been eliminated except for the restrictor, until the storm produced the overflows. He noted that DEP is going to require those overflows to be corrected. He noted that the money to do the SC-1E project will come from the funds saved as a result of lower bids. He noted that the BC-6C was not part of the original borrowing, and he suggested that the Authority should approach Mr. Smida about spending the funds in the Beaver Creek basin because the Wet Weather Treatment Plant construction will probably be pushed back, He noted that \$23.6 million was earmarked for the plant in 2013 and 2014, but he does not see that occurring. He stated that this may require some additional borrowing to cover BC-6C on the back end.

Mr. Whittle explained that the presentation and the report cover the rest of the construction that he has been discussing and provides an update of all the construction that has occurred in the last year. Mr. Wendle noted that the report will show that the Authority is on schedule. Mr. Weaver noted that the Authority has an agreement to have certain items completed by a certain date, and he hoped to show that the Authority is accomplishing that. He noted that he would question DEP how much additional information they need for the report. He noted that he would like to reduce the engineering costs in preparing the report hoping that DEP is getting more comfortable with the success the Authority is having in accomplishing the work. He noted that the Township is doing a lot of cutting-edge stuff, and DEP is interested, but he questioned how detailed the report needs to be. Mr. Crissman questioned if Mr. Weaver was obligated to ask DEP what more they want as opposed to doing the presentation and having DEP say that the report is great, and to continue doing it the same way. Mr. Weaver noted that he could take that approach too. Mr. Crissman suggested if Mr. Weaver asks DEP what more they want, then they will feel obligated to request more information whether they need it or not. Mr. Crissman noted that the presentation is a status report as well as providing the game plan of what work will be completed. He suggested stopping at that and seeing if they are satisfied with it.

Update on PENNVEST and Consent Decree Construction Projects

Mr. Weaver noted that Ronca Construction is working on PC4B/6C; Liberty Excavators is starting work on PC1A/1C the end of August. He noted that PC2C/2D will be bid the end of the year, and Rogele's work on PC3B and BC1A is coming to an end. He noted that Lepply and PSI Pumping are moving very slowly but will complete the job by September 21, 2010, for the Linglestown Pump Station, and the Linglestown Road and Nyes Road projects are PENNDOT projects. He explained that Leon Wintermyer, the contractor for the Linglestown Road project could not install the sewer line to the Eagle Hotel since they do not have anyone who is certified to remove the pipe. He noted that they are working to hire someone who can do that. Mr. Crissman questioned why that is. Mr. Wolfe noted that it is a PENNDOT requirement. Mr. Crissman questioned why Wintermyer doesn't have anyone who can do this work. Mr. Wolfe explained that Wintermyer typically does not do pipe, they contract it out and are working to find someone who can do this.

Mr. Weaver noted that the new pipe has been installed as part of the Nyes Road PENNDOT project. He explained that he has asked staff to list all the complaints that they have received for the various projects. Mr. Wetzel explained that the only complaints they are getting is when staff works on private property. He explained that he has been working in PC-3B, which is the Colonial Crest area, mainlining the street to the edge of the property and they have received zero complaints. Mr. Weaver noted for PC4B/6C, there are 39 complaints for this year. He noted the irony is when you drive through the neighborhoods after the projects are completed, it looks really good. He noted that most of the projects involve major construction with the exception of the Linglestown Pump Station. He noted that Asylum Run project will be moving into the apartment complex and the Colonial Park Mall, and that PA-1A/1C work is located on both sides of Colonial Road and also on Linglestown Road. He noted that this project will start next week, and four or five sewer construction projects will be ongoing at the same time.

Mr. Seeds questioned if the motors have to be installed for the Linglestown Pump Station. Mr. Weaver answered yes.

Mr. Weaver noted that everyone is interested in what is happening to the trees. He noted that he typically takes down a lot of trees before the sewer contract work is bid, as it is its own separate bid. He noted that some people want trees removed and others want them to remain, and as a result he has developed a waiver form that will allow the homeowner to keep the trees even

though the Shade Tree Commission recommends that it be removed because it will die and could pose a threat to the property. He noted that Mr. Lacasse made a recommendation that the waiver release form be recorded to provide protection to the Authority in the event the house is sold. He noted that Mr. Stine is looking into this for the Authority. He noted that a neighbor complained because they heard that their neighbor had to have a tree taken down, but it was not taken down and as a result she is afraid that the tree will fall onto her property. He noted that he is reviewing the procedures and policies as they relate to trees. Mr. Seeds noted that the Township is fortunate to have the Shade Tree Commission. Mr. Weaver agreed as they provide a lot of support to his Department.

Mr. Weaver explained that he has an ongoing issue with a contractor for Asylum Run, as the contractor hit the house with his equipment using a machine that was too big and it caved- in the foundation. He noted that he has struggled for over a month and a half to get the property fixed, and the tenants were asked to move out. He noted that a lawsuit could be pending, noting that it is a 3rd party claim, and everything is in the hands of the contractor's insurance company. He noted that Mr. Poluka informed him that the contractor must have an engineer stamp the drawing to get a building permit, but they have not done that yet, nor have they provided proposals to Mr. Poluka. Mr. Crissman questioned if Mr. Weaver was dealing with the insurance company or the contractor. Mr. Weaver answered that the insurance company for the contractor has told the homeowner to do all this work. He noted that the homeowner is not doing anything as he feels it is not his job. He noted that there is a standstill between the two parties and he is waiting to see what happens. Mr. Seeds questioned if people are living in the house. Mr. Wendle explained that the owner of the home lives in California, but the people who moved in had to move out since they could not live there. Mr. Weaver explained that he attends monthly meetings to review the pay estimates and go over any problems. He noted that he told the contractor that he could not believe that he would not want this to go away. He noted that there is very little that the Authority can do as he is not able to tell a contractor how to do their job. He noted that the machine was too big, and he would insist the next time that they use a smaller machine. Mr. Crissman questioned if Mr. Weaver could apply some pressure to the contractor informing him that he needs to do something to get this resolved.

Mr. Hornung questioned if the contractor could be disqualified as a future bidder if they don't move to rectify this problem. Mr. Weaver answered that it is not part of the work

performance for the sewer construction project and that he would like to speak to Mr. Stine about this. Mr. Hornung suggested that it is the only leverage that Mr. Weaver has to try to motivate the contractor to do the right thing is to say if you don't solve the problem the Authority would disqualify him for any future work. Mr. Stine noted that you can not tell them that now, because whether or not a bidder is a responsible bidder would be determined by more than just one incident. He noted that it would have to be more than that. He noted if you call the other people who they worked for they would probably tell you that they do a great job.

Mr. Seeds questioned how long it has been since this occurred. Mr. Weaver answered that it has been almost two months. Mr. Crissman noted that the Authority needs to do something as it makes the Authority look bad. Mr. Hornung suggested that Mr. Weaver should relay to the contractor the Authority's dissatisfaction with their response in getting this problem fixed. Mr. Weaver answered that he could do that.

Mr. Wendle noted in the case of a damaged car, the agent requests an estimate and pays from the estimates, and since the homeowner is not responding, would there be anything the Authority could do to secure an estimate, file it with the insurance company, and have them reimburse. Mr. Stine noted that these types of issues are governed by the contract, and it does not give the Authority the ability to do anything.

Mr. Weaver noted that he reviewed the design for PC2C/2D, noting that there are some complications with wetlands in areas off of Catherine Street. He noted that there may need to be a relocation of some sewers and this is scheduled to be designed and bid by the end of the year.

Engineers Report

Mr. Wendle suggested to the Swatara Township Authority that he should revise Exhibit B in the agreement. He noted that the original Exhibit B only has reserve capacity for the estimated annual average flow which is 3.695 MGD. He noted that their design report for the upgrade added annual average flows (AAF), maximum monthly average flows (MMAF), peak daily flows (PDF), and peak hourly flow (PHF). He noted if you took the current share of annual average flow of 3.695 MGD, it would amount to a MMAF of 5.257 MGD available to the Authority. He noted Exhibit B, Alternate 2 would provide a AAF of 3.795 MGD and a MMAF of 5.289 MGD. He noted if the Authority bought the capacity from Hummelstown it would provide a capacity of 3.895 MGD, with a MMAF of 5.54 MGD. He suggested that 5.54 MGD is

the largest MMAF that the Authority had in one of its biggest months in May of 1998. He noted if the Authority could get the Swatara Township Authority to agree to a MMAF of 5.54 MGD for at least one month, it would provide much more capacity for the Authority to deal with. He explained that he sent the revised Exhibit B, but at that time he sent it to the Swatara Township Authority, he did not know that Hummelstown had available capacity for sale.

Mr. Seeds questioned what the total flow was that West Hanover Township sold to the Swatara Township Authority. Mr. Wendle answered that it was 414,000 gallons. Mr. Seeds suggested that when the LP Authority first made an offer to West Hanover Township, it was in the range of \$1.60 per gallon, but now the Swatara Township Authority is asking \$5 per gallon.

Mr. Wendle explained that he proposed some language changes to definitions in the agreement as well. He explained that he added, “the annual average flow shall mean the average of the “Average Daily Flows” over the water year”. He noted that he wanted the water year to extend from October 1st through September 30th because that is what the nutrient load is based upon and this is significantly affected by flow. He noted that he added, “the maximum monthly flow (MMF) which shall mean the highest allowable average daily flow for any calendar month, and he added another definition, peak hourly flow (PHF), which shall mean the highest allowable sanitary sewage flow to the Treatment Plant for any one-hour period”. He noted that he also defined what a Water Year was.

Mr. Wendle noted that the reserve capacity found in Section 3.02 included the Exhibit A as amended in 2010, and Exhibit B as revised for the 2010 Treatment Plant Upgrade and Modifications.

Mr. Wendle noted that Swatara Township Authority wanted some protection that if they would provide the maximum month flow, however, if Lower Paxton did that for two months it many not be able to get the annual average flow down to the requirement. He noted that would be problematic, noting that it would affect their nutrient loading and other similar things. He noted that he made the change for “when a portion thereof as identified in Section 4.06 (2) and 4.06 (4) has been exceeded by any party to this Agreement, the party who has exceeded its reserve maximum month capacity, shall be given notice after being over capacity for one calendar month”. He noted that a further change was made to state that “the party who has exceeded 85 percent of its reserve maximum month capacity shall be given notice after exceeding 85 percent of maximum month capacity as an average for a period of three

consecutive calendar months during any water year”. He noted if the Lower Paxton Authority did this it would be at the risk of exceeding its annual average flow. He noted the changes go to say “if the Authority is over its reserved maximum month capacity for a period of two calendar months, in any water year, or where the municipality has exceeded 85 percent of its reserve maximum month capacity as an average for a period of four consecutive months during any water year, a notice in writing shall be sent, and no further connections will be allowed”.

Mr. Hornung questioned if Mr. Wendle had presented this to the Swatara Township Authority yet. Mr. Wendle answered that he sent it to Bill Jones and Alex Morrison, but he has not received a response yet. Mr. Hornung noted that in the past they were not very receptive to changes, and he questioned if this has changed. Mr. Weaver suggested that it is much better; noting that Gerald Miller is the new Authority Manager and Bill Jones is the new Superintendent. He noted, in the past, he could not even get a dialogue with the Authority, but now there is dialogue. Mr. Wendle suggested that the Lower Paxton Authority has a good relationship with the Swatara Authority at this point. Mr. Wolfe suggested that we did, but that it had been aggravated by staff in the past. Mr. Weaver suggested, if someone would come into Lower Paxton and take our agreement and tear it apart and do all the stuff that Mr. Wendle does, you would be very cautious, however Mr. Wendle’s ideas make sense.

Mr. Wolfe noted that there is a ten year record of reducing flows. Mr. Hornung noted that it is amazing how much the flows have been reduced. He questioned if it was way above the projections. Mr. Weaver noted that the projection is to get to zero. Mr. Hornung noted that he was talking in terms of time and scheduling. Mr. Wendle noted in some basins the flows are at a 1,000 MGD. He noted that there are issues in PC-5C for underslab issues, and it will be interesting to see what PC-1A produces since they don’t have underslab issues. He noted that the sewer lines comes out the basement walls in that area, so it will be interesting to see what the flow to that pumping station is once it is finished. He noted that he is pleased with the results and they are moving in the right direction. Mr. Hornung questioned if the dollars per gallon is under \$2. Mr. Wendle noted in some places that target been reached. Mr. Weaver noted that he has the budget set for \$2.23 MGD and \$2.26 per gallon for SC-1E and BC-6.

Mr. Hornung questioned at what point storage would be considered. Mr. Wendle noted that it would be 15 years out to finish the replacement work and then the plan is to look at atorage. Mr. Hornung questioned what the dollar per gallons would be. Mr. Wendle noted that it

would depend, noting the smaller the storage, the higher the dollars per gallon. He suggested that it was around a couple a dollars per gallon. Mr. Hornung questioned if the Authority is getting closer to looking at storage. Mr. Wendle noted that he is talking about dollars per gallon for volume, versus gallons per day. Mr. Whittle noted that he would provide additional analysis on that, noting that he has always looked at costs for peak removal, but he hasn't tracked the volume that has been removed which is significantly more. Mr. Wendle noted that the Authority is shedding the peak and reducing the volume at the same time. He suggested that he could look at the volumes per gallon of removal and try to relate that to storage. He noted that there is nothing to prevent the Authority from, if the data showed that the Township was doing better than thought in terms of volume reduction, saying that it would build the storage sooner. Mr. Hornung noted that he does not want to be up to the \$5 level for volume removal to find out that it could have built storage at \$3. Mr. Weaver noted that the bid prices are good, and there is no reason to believe that the Authority is creeping up too high yet. He noted that BC-1A and PC-6C will be interesting, noting that they are hitting a lot of water in those locations, and noting that the Authority is still in the infancy of the program.

Mr. Seeds noted that Mr. Wendle submitted the proposals changes to Swatara Township and he had not heard anything back. He questioned how long ago that was. Mr. Wendle answered that it was three or four weeks. Mr. Weaver noted that the Swatara Authority wants to meet with him about the sale of the capacity so he thinks it will also move the agreement forward. Mr. Seeds noted that we need to find out what the Swatara Township Authority paid for the capacity. Mr. Seeds questioned if the agreement amendments were discussed at the previous meeting. Mr. Wendle answered that the particulars were not discussed, but it was mentioned that the Swatara Authority was open to some amendments, and that they had 100,000 gallons to sell. Mr. Seeds questioned, if the Authority purchased the extra capacity, would the agreement have to be amended. Mr. Wendle answered that only Exhibit B would need to be amended to redistribute the flows. Mr. Weaver noted that there would have to be a new agreement for the purchase. Mr. Wendle noted if they were to adopt all the agreements and no additional capacity was purchased, or if you purchase Swatara's capacity, only Exhibit B would change.

Mr. Weaver noted that the Swatara Authority is moving ahead with Phase Two of the upgrade project and they are scheduled to finish the project in the middle of next year. Mr. Seeds questioned if there may be some additional change orders. Mr. Weaver noted that the change

orders have been very small; noting that he receives monthly updates on the project to include the change orders. He noted that there are no guarantees as they could have a huge problem at the end, but so far everything looks good.

Solicitors Report

Mr. Stine had nothing to report.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting, Mr. Blain seconded the motion, and the meeting adjourned at 8:43 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Authority Secretary
Gary A. Crissman