

LOWER PAXTON TOWNSHIP
AUTHORITY MEETING

Minutes of Township Authority Meeting held June 17, 2008

An administrative meeting of the Lower Paxton Township Authority was called to order at 5:55 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; and Steve Stine, Township Solicitor; William Weaver, Sewer Authority Director, Jim Wetzel, Sewer Authority Operations Supervisor; and Jeff Wendle, Jodi Reese, Alton Whittle, and Kevin Shannon, CET, Engineering, Inc.

Pledge of Allegiance

Mr. Blain led the Pledge of Allegiance to the flag.

Public Comment

No comment was provided.

Board Members Comments

No comment was provided by Board members.

Old Business

None was presented

New Business

Review of Beaver Creek Corrective Action Plan (CAP)
with respect to changing conditions

Mr. Wendle explained that issues related to the original Act 537 Plan have changed since it was completed. He explained South Hanover Township (SHT) has continued its opposition to

the location for the Wet Water Treatment Plant (WWTP). He explained that the new design for the Swatara Township Authority (STA) Plant would upgrade the peak capacity from 12 million MGD's to 16million MGD's which provides for more peak flow capacity to the plant, as it would increase the monthly capacity from 6 to 7.85 MGD. He noted that, in regards to the third addendum to the old agreement, there would be more maximum capacity, and Department of Environmental Protection (DEP) has indicated its willingness to allow the Township long-term plans for replacement and rehabilitation for the Paxton Creek Basin.

Mr. Wendle explained that at least two mini-basins in Beaver Creek have deteriorated over the last couple of years; one being the BC-4 basin, and the other, the BC-1 basin; both will need to be replaced. He noted that it would be good to consider ongoing replacements, in addition to the WWTP, because the Consent Decree states that the Township is not allowed to increase existing peak flows. Mr. Wolfe questioned if the Consent Decree also states that the Township must do ongoing maintenance. Mr. Wendle answered only to the extent that the flows don't get worse. Mr. Wolfe noted that it does not state that the Township must do a mini-basin or set a schedule, but it must continue to do I&I as conditions change. Mr. Wendle explained that when he reviewed the current status, such as the legal battle with South Hanover Township (SHT), and the two mini-basins that need to be replaced, he determined that it would be good to look to revisit the alternatives.

Mr. Wendle noted that the WWTP alternative for Table One lists the Second Consent Decree Alternative, which includes building the WWTP, but, he added the rehabilitation of BC-1 and BC-4 due to the deterioration. He noted that he added a factor for on-going rehabilitation and used a 50-year period for his estimation for repairs to the deterioration of the existing system.

Mr. Wendle explained that there are three Alternative Two's, A, B, and C. He explained that they are similar to the Paxton Creek Alternatives, replacing the asbestos cement pipe, rehabilitation of the PVC pipe, and determining how much storage would be needed for the year

2015. He noted that Alternative 2-A includes the purchase of the WHT conveyance to STA as part of that alternative, and Alternative 2-B also includes that, noting that the difference between the two options is the storage capacities for the different alternatives, all of which come out to about the same price. He noted that Alternative Three includes installing a giant storage tank instead of building the WWTP, in addition to the continuation of on-going pipe replacement.

Mr. Wendle noted that the Township plans to do on-going replacement with the two basins that need to be replaced, but he questioned if the WWTP still makes sense up from a cost standpoint, and are there alternatives that could be reviewed in case SHT prevails in its legal battle, or the Township decides that it is tired of fighting the denial. He noted that the costs show that the WWTP still appears to be the least expensive option, from the present worth basis, assuming a 20-year cost at 5%. He noted that the other storage alternatives appear to be in the area of \$58 million to \$59 million on a present worth basis. He noted that Alternative One remains the least costly, but adding the present worth cost of replacement in Years 21 through 50, it would add another \$7 million to the costs.

Mr. Wendle noted that the Authority members previously discussed whether it should spend funds to build the WWTP or replace the infrastructure. He noted that these tables provide a trade off for the present worth values for eliminating the WWTP and installing large conveyance pipes. He noted if the Authority bought the WHT Capacity, there would be the possibility of building smaller storage tanks, and pumping additional peak flows to STA plant. He noted that the peak flow capacity would increase from 7.4 to 10.3, noting that the Township would only have to store anything over 10.3, install an emergency station and force main to STA to carry an additional 2.3 over the amount using the purchase of WHT's capacity.

Mr. Hawk noted that the Township has attempted to purchase the WHT capacity on numerous occasions and it has not worked. Mr. Wendle suggested that they may be ready to sell their capacity at this point. He noted that Swatara Township (ST) has told WHT that they could

have 600,000 GPD of peak flow capacity, but under the current agreement, they should have 828,000 GPD. He noted that WHT is looking at what it would need to do to meet its future capacity requirements, and suggested that one alternative would be to take some of their flows to STA plant. He noted WHT may seriously consider that option if they received money for their existing capacity to put toward their expansion of their treatment plant. He noted that WHT is asking the Lower Paxton Township Authority (LPTA) for capacity in its lines, so there is a question of how they would be charged for that capacity.

Mr. Hawk noted that the first offer to purchase the capacity from WHT was around \$1 million, and the last offer provided was \$500,000. He noted that he would not want to go through this process again. Mr. Wendle noted that a WHT Board member sued WHT on this issue.

Mr. Hornung noted that there would be a cost to upgrade the STA plant to the new standards, so if the Township buys a greater percentage of ownership in the plant, the Authority would incur larger costs. He questioned if anyone had a dollar figure for that amount. Mr. Stine suggested that the Township would own two-thirds of the plant for capacity. Mr. Hornung noted that it is added value to WHT as they don't have to spend those funds for the upgrades. He noted that it would not make sense for WHT to spend a huge sum of money for an upgrade that they would not use. Mr. Wendle noted if the costs for the STA plant upgrades are \$17 million, WHT would be responsible for \$1.1 million, and he suggested that WHT would look at the Township's offer and use those funds to put toward expanding its own plant. Mr. Wolfe suggested that WHT could just give the Township their capacity and save \$1.1 million. Mr. Hornung noted that WHT has a \$1.2 million liability if they hold on to their capacity, which they can't use unless the Township gives it to them.

Mr. Wendle noted if the Authority decides to do something different from building a WWTP, it should consider buying the capacity, and even if the plant is build it would build in additional safety factors for the Township. He noted that WHT has not made an offer to the Township.

Mr. Wolfe noted that the Township should continue its battle with SHT over the WWTP, and rehabilitate BC-1 and BC-4, without making any other decisions or commitments, and leaving the options open to see what happens. He questioned Mr. Wendle why the Township should select an alternative at this time because he did not think it had to. Mr. Wendle answered that the only item that has a time issue is a response to WHT's letter concerning how much it would cost to put their 600,000 gallons peak flow capacity through the Township into the joint use interceptor. He noted that they were to pay for a portion of the BC upgrade to the pumping station and a piece of all those conveyances that the Township will build to get the wastewater to the WWTP. He noted that they need that number to decide if they want to send their flow to STA plant, pay the \$1.1 million for the STA upgrades, plus the \$400,000 to LPT to get the flow to the joint use interceptor, or upgrade their own facility. He noted that they are working on their Act 537 Plan, and they need to make a decision, but once they make that decision, they would be less likely to change it and reconsider selling capacity to the Township. Mr. Wolfe noted that the Township does not have to provide WHT with a number, as they don't have an alternative, and they have a valueless commodity. He noted that they have a payment due for facilities that they cannot use.

Mr. Hornung suggested that the Township should begin discussions on capacity with WHT. Mr. Hawk noted that the last time it was very time consuming and nothing happened. Mr. Hornung noted that the Township needs to know if WHT is willing to sell its capacity and what it would cost. Mr. Crissman suggested that it might be better to do it in an informal manner. Mr. Wendle noted that it must be determined what would make it economically feasible for WHT.

He noted that Herbert, Rowland and Grubic, Inc.(HRG, Inc.) is doing the Act 537 Plan for WHT, and Gannet Fleming is working on the cost estimates for expanding the treatment plant for WHT. He noted that WHT should be able to determine if it could sell its capacity to the Township for a certain amount of funds, or it would keep its capacity but not have a means to get their waste water to the STA without using Lower Paxton's services. Mr. Hornung noted that the Township needs to resolve this issue before it moves to any other issues for this basin.

Mr. Weaver suggested that the Township needs to decide if it wants to build the WWTP since it would not be wise to continue to spend legal fees if it decides not to do this. He noted that WHT only wants to know what it would cost to transmit their sewage to the Township. Mr. Hawk suggested that this could be the lead into the discussion for the selling of WHT's capacity. Mr. Weaver noted that the last time he met with WHT, they told him that they planned to send their sewage to the STA. Mr. Hawk noted that there is no indication that they want to sell their capacity. Mr. Wendle suggested that it was only because they did not think it was an issue, since the Township was not interested in it as a result of building the WWTP. He noted that the Township would not need WHT's capacity as a result of building the WWTP. He suggested that if LPT was to purchase the capacity, they would be able to take that into their economic analysis of what they would do. Mr. Hawk noted if Mr. Weaver discusses the transmission fee to STA, it would be simple to bring up the issue of capacity, to see what they do. Mr. Hornung noted that he is not interested in putting a number to it, rather he wants to know if WHT wants to sell its capacity to the Township, and if they do, then the Township could go to the next step to find out what the cost would be. He noted if the Authority goes to the tank option, it would have a significant impact on the Township. He noted that he does not want the Township to appear hungry for the capacity since it is not hungry; he just wants to know if it is an option.

Mr. Wendle questioned if he should provide WHT with a cost for the conveyance system, as that is what they asked for. He noted that he would provide them their estimated costs for their

percentage. He noted that he could also include the added costs to the STA for their upgrades and ask if they are interested in selling their capacity to the Township. Mr. Hawk noted that Mr. Wendle could do that in his reply letter to Mr. Rimer, and it would keep the Township out of the picture. Mr. Wolfe suggested that this would have Mr. Wendle do the Township's bidding, and he is not sure that that is what the Township wants. He suggested that the Township should do its own bidding. Mr. Hawk questioned if Mr. Wendle should be part of the process. Mr. Wolfe agreed that he would need to be.

Mr. Wolfe noted if the transmission fees cost \$350,000 and WHT agrees to pay it, does that mean that it is a done deal. Mr. Hornung noted that if the Township is willing to provide a price, then it must be willing to transmit their capacity, assuming that the Township has made that decision. He noted that it would not make sense to provide WHT a price if the Township is not willing to sell it. He questioned if there is a negative to selling transmission fees to WHT. Mr. Wolfe noted that the only negative is to WHT, noting if they can't access the STA plant, they still have to pay for the upgrades. He noted that the Township must provide WHT with a transmission fee for what is currently connected to the Beaver Creek Plant for Country Meadow Farms, and Wexford Crossing. He noted that they have 400,000 gallons of capacity in the pipe. Mr. Wendle noted if they take Country Meadow Farms and Wexford Crossing back, it would come out of the 600,000 gallons of peak. Mr. Wendle suggested that 600,000 gallons peak would translate to 150,000 regular gallons.

Mr. Wolfe questioned if the Township does nothing, WHT would get nothing, but they would have to pay what amount. Mr. Wendle noted that they would have to pay \$1.1 million to STA. Mr. Wolfe questioned why the Township should do anything at this point, noting that Mr. Wendle could provide that the engineering cost to increase the size of the interceptor would be \$350,000 to \$400,000, and instruct WHT to talk to the Township to see if LPT is willing to let WHT access it. He noted that it would not be good to have Mr. Wendle provide the costs and ask

if they want to be written into the agreement. Mr. Weaver suggested that WHT would want to keep the capacity as it would be cheaper than paying the upgrades to their plant. Mr. Wolfe noted that it only makes sense if they can use the capacity, and there is nothing to state that the Township must grant WHT access to the interceptor. Mr. Wendle answered that he did not know of anything that would require it. Mr. Stine noted that the old agreement only dealt with the land that John Hall owned, but he would suspect that WHT would never exceed 400,000 gallons capacity from that tract.

Mr. Weaver noted that the reason WHT bought the capacity from STA was because they had tracts and probably planned on taking their flow to STA. Mr. Wolfe noted that WHT never participated in the joint interceptor project, and they did not get capacity. Mr. Wendle noted that WHT got some capacity in the amount of 600,000 gallons. Mr. Wolfe noted that there is no agreement that states that WHT has X amount of capacity to Lower Paxton's interceptor.

Mr. Hornung noted that when the price is provided to WHT, he would add a portion of the price of the land, and a portion of the things that are there, not just the cost of building a larger sewer line to provide capacity. Mr. Wendle noted that the line size that was chosen has some capacity, since it couldn't be matched directly. He noted that the pumping station was sized for them, and the only place there is an increment is in the force main. He noted that the original agreement concept was that the Township would provide a price to WHT to increase the force main size to accommodate WHT. He noted that WHT would have to pay an incremental amount up front, and when and if they connected, they would pay their full share of the line, which would make LPT whole, and it wouldn't cost the Township anything to provide the extra capacity. Mr. Hornung suggested that WHT should be told to pay for the entire project upfront.

Mr. Wendle noted that he could provide WHT an estimated price solely based on the percentage of project costs, which would include design and permitting, and full construction costs, and the right-of-way acquisition costs, which would fulfill the Township's end of the

bargain, and request that WHT contact the Township to determine if the Township is willing to sell it. He noted that it would open the discussion for whatever needs to be considered. Mr. Hornung noted that it is important to indicate that that the estimate is not the selling price, only an estimate. Mr. Hawk agreed that it is a reasonable way to start the process.

Mr. Seeds noted that the Township either has to take the capacity, or according to the John Hall agreement take the sewage. Mr. Wendle noted that he included those two tracts in the Township's sewage plan planning. Mr. Hawk noted that this is a game plan.

Mr. Hornung noted that he had a concern with the analysis that has one option to use the WWTP with very little upgrades to the system, and the other proposal that only involves building a storage tank without upgrading the lines. He noted that by not upgrading the asset, there would be a continued degradation of the lines, noting that the tank proposal ends up with a upgraded sewer system. Mr. Wendle noted that the WWTP does also, but over a longer period of time. He explained that he would take the existing system, replace 2% per-year, of the system over a 50-year period. He noted that that costs are included in the estimates. He noted that he calculated it at other higher percentages, but 2% per-year should enable the Township to keep up with the deteriorating lines. Mr. Hornung questioned if it would. Mr. Wendle answered that BC-4 cost \$4 million to improve, and he explained that it took six years to do it, and at \$600,000 per year budgeting \$1.4 million a year over 50 years would work out to \$70 million. He noted that you can't ignore the system as it would need to be upgraded. He noted that the Township could be faithful to replacing the old asbestos cement pipe by budgeting \$1.4 million every year, or it could be more aggressive and end up with a different cost amount.

Mr. Hornung questioned if DEP could stop the permit based on wetland mitigations. Mr. Stine answered that the Township has a permit to do that, but SHT is appealing the permit. Mr. Hornung questioned if the Township could be forced to place the WWTP in another location, and how would the Township justify the current choice is the best location. Mr. Stine noted that

he has not had the opportunity to look at what SHT has filed. Mr. Hornung noted that SHT alleges that the Township did not look at other alternatives, which he assumed would mean locating it somewhere else. Mr. Stine suggested that it may not matter, noting when a government entity issues a permit, it should not be an issue. Mr. Stine noted that the court battle would be time consuming as it would be many battles that would occur over a period of years.

Mr. Hornung questioned what happens if the Township continues the litigation and it continues for 15 years. Mr. Wolfe answered that the Township would continue to pay penalties for overflows in the amount of \$10,000 to \$15,000 a year. He noted that the Township would not be in violation of the Consent Order. Mr. Wendle noted that the Township could continue the ongoing replacement in the meantime. Mr. Wolfe noted that any alternative that Mr. Wendle has provided must include Rehabilitation and Replacement (R&R) of BC-1 and BC-4. Mr. Blain noted that he agreed that the Township must continue the R&R for those two areas.

Mr. Weaver suggested that it should be done by sub-basins, but CET pointed out that the worst mini-basins should be prioritized first. He suggested that the worst areas should be completed first. Mr. Wolfe noted that he assumed that they were the worst basins. Mr. Weaver noted that they have the worst sub-basins but not mini-basins. Mr. Wendle explained that BC-1 is not the worst in terms of gallons per day for EDU's; it just has an overflowing pump station that exceeds capacity with no place to put it. He noted the Township would have to increase the lines if the pumping station is made bigger to carry the flow. Mr. Weaver noted that there is a mini-basin in BC-6 that has a higher overflow capacity. Mr. Wendle noted that BC-4 has deteriorated the most. He noted that he does not have the information for all the Beaver Creek mini-basins. Mr. Wolfe noted that the Township stopped metering that basin four years ago because it was going to build a WWTP that has not been built.

Mr. Wendle suggested that BC-1 needs to be taken care of first because of the pumping station capacity. Mr. Whittle noted that that is the same reason why Gale Drive for the Paxton

Creek basins needs to be completed since it is a capacity issue. Mr. Wendle noted if you make the pumping station larger, there is no place to put the capacity downstream.

Mr. Wendle noted that the Township could perform a metering season and pick the lower handing group, although BC-4 is considered the highest. Mr. Hornung questioned if one area was determined to be bad, would the entire area be replaced. Mr. Wendle noted that he would replace the asbestos cement pipe. Mr. Weaver explained that they would replace the worst mini-basin first. Mr. Hornung noted that the Paxton Creek was broken down into mini-basins to show DEP the areas of improvement. He questioned if Beaver Creek would need to be broken down into a mini-basin or should the Township pick an area that is bad, replace the section, noting that it may not be an entire mini-basin. He noted that some of the higher areas may not have the same issue that some of the lower areas have. He questioned if the Paxton Creek logic applies to Beaver Creek. Mr. Wendle suggested that it still applies, for example, half of BC-4 was to be replaced as a result of the cost estimate. He noted that there are three mini-basis that could be metered to find where the problem is with BC-4. He noted that an elevation level does not tell much for this area because BC-1 and SC-IF are both located high in the area, but they are located on perched situation, where there is clay and shale. He noted that the water has no place to go and it flows right into the sewer. He suggested metering the area, finding the worst locations, and replacing those first. Mr. Whittle noted that something has happened to make it deteriorate recently, such as a certain type of building style or water feature; it is not something that has been there for ages. Mr. Hornung noted that he wanted to be sure that the Township was not following an old technique that was only beneficial to meet DEP's guidelines. Mr. Wendle suggested that the methodology is still applicable in terms of trying to prioritize what needs to be done.

Mr. Weaver noted that the purpose of the discussions tonight were to show that there are other options that are on the table that the Board may want to consider as it may be a better

decision in terms of asset management, and replacing the sewer system, aside from the legal battle. He suggested that it would warrant more discussions.

Mr. Hornung noted that he needs to question Mr. Stine on some legal questions related to the appeal, but he is unable to do that in an open meeting. Mr. Stine noted that since the Authority has received the appeal of the encroachment permit, he needs to have the Board authorize Randy Hurst to move forward and defend the Township's interest in that appeal.

Mr. Blain made a motion to approve Mr. Hurst to defend the Township's interest in its appeal to South Hanover Township's Zoning Officer's decision. Mr. Crissman seconded the motion, and a unanimous vote followed.

Mr. Seeds questioned if the Township is throwing good money away after bad. Mr. Blain noted at this point, the Authority had to defend its option.

Township Reports

Mr. Weaver noted that the Authority's Annual Report regarding Paxton Creek is due to DEP by the end of June. He noted that, during the last meeting, the Authority discussed the capacity issues with the City of Harrisburg. Mr. Wendle explained that when he looked at the modeling data, it was discovered that under certain circumstances, in a flood event similar to what occurred in March, if the Paxton Creek rises fast enough, the combined sewer overflow gates close, and all the combined sewers from the City of Harrisburg limits the Township's capacity and it backs up into the Paxton Creek Interceptor. He noted that the City of Harrisburg carries as much as 24 millions of gallon per day through the pipe. He noted that the Authority was under the opinion that it could release 17 millions gallons through the pipe if it did not surcharge until 14.2 gallons. He noted that they start to surcharge at 9 to 9.5 gallons, and when the Township reaches 17 MGD, it is overflowing at a number of places in Susquehanna Township. He noted that both Authorities are relying on having 17 million gallon capacity, and at a minimum 14 million gallons. He noted that he told the City of Harrisburg that LP had a

permit for 14 MGD, and have assumed that it could have 17 MGD, based on the City of Harrisburg having to provide the Township's capacity at full pipe, noting that the Township won't be surcharged until that happens. He noted that the City of Harrisburg's response was denial of any required capacity to LP. He noted that the agreement does not spell out capacity; it just states that Harrisburg may limit what they provide, based on sound engineering principals. He suggested that since the Township was expecting the City of Harrisburg to provide an unlimited surcharge permitted capacity, that they are reluctant to provide any capacity.

Mr. Wendle suggested that the Township could get the 17 million gallons of capacity if it makes some modification to the Susquehanna Township portion of the Paxton Creek Interceptor by either raising some manholes or bolting them down. He suggested if Susquehanna Township agrees to these modifications, then they would not need to do anything with the City of Harrisburg.

Mr. Hornung questioned who owns the Interceptor going through Susquehanna Township. Mr. Wendle answered that it is owned by Susquehanna Township. He explained that the Township purchases capacity and it pays for upgrades to Susquehanna Township. Mr. Hornung noted that it does not have a legal right to bolt the manholes. Mr. Wendle agreed.

Mr. Whittle noted that a portion of the sewer lines comes across I-81, but the areas of overflow occurs in the area of the lowest manhole; noting that 18 manholes would need to be bolted or raised up by two feet. He explained that he could provide a better map to show exact details. Mr. Hornung questioned if this would caused the sewer to overflow into anyone's homes. Mr. Wendle answered that he did not think so, because it is in the area of the interceptor. Mr. Whittle noted that there would also be some locations where the manholes would not be bolted, in order to prevent that from happening. Mr. Hornung questioned if the City of Harrisburg would have to agree to this. Mr. Wendle answered that he did not think so, as they would not have any control over it, but he suggested that as long as the Township does not ask the City to do

anything, it would be okay. Mr. Wolfe noted that this would create so much pressure that it would force the sewage into the City's system, but what would it do to their system. Mr. Wendle answered that the City of Harrisburg modeled their system for 17 million gallons which the Township told them was the existing flow, and the City was fine with that. He stated that he did not know what effect it would have on Harrisburg's system, but it has to go someplace.

Mr. Wolfe noted that it is a difference of 8 million gallons, noting that the Township is restricted at 9 million gallons. Mr. Wendle noted that 15.5 million gallons will flow through the system, as it starts to surcharge at 9 million gallons, but it cannot get the 17 million gallons the system was modeled for.

Mr. Wendle stated that the City has a permit for combined sewer overflows. He noted that they can overflow, but the Township can't.

Mr. Seeds noted that the City of Harrisburg has a gate that partially shuts. Mr. Wendle explained that when the Paxton Creek rises very fast, it closes their gates on their combined sewer overflows and it doesn't allow any of their combined sewer overflow to get into Paxton Creek. He noted that the City takes all of the capacity to include storm water off the streets of Harrisburg and sewage, and it back up to where the Township experiences overflows in Susquehanna Township. Mr. Whittle suggested that the City of Harrisburg may not be able to take the storm water which causes the overflows.

Mr. Weaver noted that he needs an agreement with Susquehanna Township to tell DEP what it intends to do. Mr. Wendle noted that Susquehanna Township is also looking at alternatives to provide the capacity; therefore, he did not see why they would be reluctant to do this. He explained that they are in the process of creating an Act 537 Plan and the Township is scheduled to meet with Susquehanna Township and HRG, Inc. to review this. He noted that he is not asking the City of Harrisburg to spend any money to fix the problem. He noted that the

Township will eventually have to spend money on the City of Harrisburg's combined sewer upgrade.

Mr. Hawk stated that it was okay to go ahead and talk to Susquehanna Township.

Mr. Hawk noted that there is a need to schedule another Sewer Authority Meeting to finish the items on the agenda.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded the motion, and the meeting adjourned at 7:14 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by:

Gary A. Crissman
Authority Secretary