

The rescheduled monthly meeting of the Municipal Authority of the Borough of Sinking Spring was opened on Monday, October 27, 2008, at 7:00 p.m., at the Sinking Spring Borough Hall, by Mr. Francis Butkus. The following Authority members were present:

Francis Butkus
Dennis Leiby
Brenda Messina (Absent)
Jeffrey Mohn (Absent)
Kandis Moser

Others present were: Mr. Alex Morrison, ARRO Consulting, Municipal Authority Engineer; Mr. John Hoffert, Authority Solicitor; and Ms. Elizabeth White, Authority Secretary/Treasurer who recorded the minutes of the proceedings.

APPROVAL OF MEETING MINUTES:

Mr. Butkus asked if everyone had a chance to look over last months meeting minutes and if there were any errors or corrections. Mr. Leiby made a motion to approve the September 9, 2008 minutes; seconded by Mrs. Moser. Motion carried.

VISITORS:

Mr. Ron Kalyan stated that they are looking for a letter from the Authority concerning the cost of the EDU's needed for the new Wilson Middle School project in Lower Heidelberg Township. He stated that they need to provide something to PDE which indicates what the cost of the EDU's is going to be. Mr. Hoffert asked Mr. Morrison if he had an estimated cost. Mr. Morrison stated that he did not have that cost at this time. He stated that the whole project is about \$4.5 to \$5 million at this time which includes another 250,000 GPD. He stated that part of that is for upgrade and part of it is for expansion. He stated that they have not really considered what the extra 250,000 gpd value is. He also mentioned that they would ultimately end up paying Lower Heidelberg for that. He mentioned that Lower Heidelberg may charge them a transportation cost for their collection system. He stated that it is probably something that they could figure out reasonable close with some estimation of what is upgrade and what is expansion and have that total dollar amount. Mr. Kalyan stated that would be fine and that they just need to provide a dollar amount so that PDE can check it off their list. He stated that it does not have to be the exact cost and that they Authority could pick a number that is high. He stated that if it comes in higher than that then the School District would obviously pay it. Mr. Hoffert stated that he has no problem writing the letter stating that he is the attorney for the Authority and that from the information that he has to date the estimated amount would be approximately blank dollars. Mr. Kalyan stated that the PDE would not except a letter stating estimated. He said that if they could just get a number, the most you think that it would ever be, and use that number.

VISITORS: (Cont.)

Mr. Morrison stated that he would work with Mr. Hoffert and that they would come up with a number for the letter. Mr. Kalyan asked if Mr. Hoffert still had the form letter. Mr. Hoffert stated that he had it and asked Mr. Kalyan to send him a revised letter for his signature. Mr. Kalyan stated that he will send it first thing in the morning. Mrs. Moser stated that she would like to see the letter before it goes out. Mr. Hoffert stated that he would send Ms. White a copy of the letter for distribution to each member. Mr. Kalyan stated that the letter is being submitted for Plancon F reimbursement purposes only; they are asking that we provide a number just so that they can submit something to PDE. He stated that whatever the number actually comes out to they will pay whether it comes in lower or higher.

ENGINEERS REPORT:

Mr. Morrison presented the Engineers Report dated October 27, 2008. Copy attached.

Mountain Home Road Sanitary System Additions Project:

Mr. Morrison mentioned that there was a low level alarm problem that turned out to be a loose connection which was fixed by CW Sales. He stated that they are also going to conduct another pump test on the station.

Mr. Morrison mentioned that the settlement in the area of the pump station has been fixed and is holding. He recommended that it be monitored in the future for additional settlement.

Mr. Morrison stated that the sag in the gravity line associated with the sewer line into the station has been repaired by E. Kuser Inc. Final restoration is still needed. He stated that ARRO assisted the Borough staff with getting the emergency permits from PennDOT.

Mr. Morrison stated that the Water Quality II Construction Certification was sent to PaDEP.

Mr. Morrison mentioned that there is a draft letter attached to this report. The letter is to be sent to property owners on Mountain Home Road to inform them to connect to the system. He stated that he needs the Authority's approval and then he will take it to the Borough for their approval. Mr. Butkus asked Mr. Hoffert if he had read the letter and if he had any additions or comments. Mr. Hoffert asked if the Borough had ever permitted the residents to pay for the EDU's in installments or if they always required the full payment prior to the connection. Mr. Morrison stated that he was not aware of any installment allowance. Mr. Hoffert stated that some municipalities allow that and he was not aware of the Borough policies. Mr. Morrison stated that if there is a hardship they may consider it. Mr. Hoffert stated that the only thing he would add to the letter is a simple statement saying that if they are not able to meet the financial requirements then they should contact the appropriate Borough officials and seek relief.

ENGINEERS REPORT: (Cont.)

Mr. Morrison mentioned that most of the properties are businesses. Mr. Morrison stated that they will modify the letter.

Wastewater Treatment Plant Project:

Mr. Morrison mentioned that there is a Phosphorous limit in the permit and ARRO will be retrofitting the existing sodium hypochlorite system. He stated that it required a modification to be sent to DEP modifying the Water Quality Management Part II Permit. This was done by letter submission and was sent last week.

Mr. Morrison stated that a letter of adequacy from the Berks County Conservation District has been received. He mentioned that since the plant is located in Spring Township, a letter was sent to the Township Planning Commission requesting a waiver of the land development requirements. He stated that it was then referred to the Township's Infrastructure Committee. The Infrastructure Committee recommended unanimously to the Planning Commission and the Board of Supervisors to grant the waiver contingent upon the execution of the inter-municipal agreements and having a meeting to discuss common sewer issues.

Dissolution of the Authority:

Mr. Morrison stated that they have been informed by the Borough that Susquehanna Bank has approved the request for the Borough to assume the responsibility of the Authority's existing bank note. He stated that approval from DCED is still required and upon that approval paperwork could then be sent to the state for their final approval

Infiltration and Inflow Study:

Mr. Morrison stated that there has been no additional contact from ADS.

Traditions of Sinking Spring:

Mr. Morrison stated that there is a planning module for approval this evening. He stated that there was minor change. ARRO has made the revision and recommend that the Authority authorize the Chairman to sign and date the module in three locations. He stated that the module then needs to be forwarded to the Borough for approval by Resolution. Mr. Leiby made a motion to approve Mr. Butkus to sign the module; seconded by Mrs. Moser. Motion carried.

Hull Street Development:

Mr. Morrison explained that this was initially proposed as a nine (9) unit apartment last year. He stated that they are now proposing four (4) single-family dwellings in two buildings. He stated that since there were three (3) other facilities with connections on that property and

ENGINEERS REPORT: (Cont.)

they have continued to pay the base rate of the sewer fee it preserves three of their taps and there will be one new connection.

JOHN HOFFERT:

Mr. Hoffert mentioned that he did receive the latest copy of the agreement between the Borough of Sinking Spring, the Municipal Authority of the Borough of Sinking Spring, the Township of South Heidelberg and the Municipal Authority of the Township of South Heidelberg. He mentioned that the Borough signed the agreement at their last meeting on October 15, 2008. He stated that the agreement has an effective date of January 1, 2009.

Mrs. Moser asked if Mr. Hoffert had ever sent the letter requesting a meeting. Mr. Hoffert stated that he sent a letter to Mr. Fitzpatrick on September 11, 2008 requesting a meeting and that the Borough had difficulty setting it up. Mr. Hoffert stated that it is mute because the Borough has already executed it and the Authority will probably cease to exist prior to January 1, 2009. Mrs. Moser asked what happens if the Authority does not sign it. Mr. Hoffert stated that it is just an unresolved issue that the Borough would have to address. Mr. Butkus stated that we should go on the record of what problems and concerns that we have with it so that it is public record.

Mr. Leiby stated that his concern is that in signing this agreement we are agreeing to something that this committee has never been privy to hear. He believes that Mr. Fitzpatrick should be told that there are members of this Authority that did not sit in on the executive session to know what we are giving up or getting in signing this. Mr. Leiby stated that he was on Council and sat in on the executive session and there were things said in there that he can not divulge since it was only discussed in executive session

Mrs. Moser stated that she received a call from Mr. Schlott about a day after the last meeting. She stated that one of her concerns was the calculations. She stated that Mr. Schlott asked her to forward what she has to him. She stated that she told him that she thinks that they need to sit down and go over it. She mentioned that on the first page it states that we have entered into agreements beginning in 1972 and she stated that she has agreements that go back to 1967.

Mrs. Moser mentioned that she also received e-mails from Mr. Fitzpatrick asking her to send him what she has so that it would save time when we did meet. Mrs. Moser stated that she runs a business during the day and did not have time to e-mail back and forth and that is why she wanted a time set up so that we could sit down and go over it (the calculations) and the other issues that the Authority had.

JOHN HOFFERT: (Cont.)

Mrs. Moser stated that on page two (2), the second to last paragraph; it states where the meters are for South Heidelberg. She wanted to know about the properties on the other side of Krick Lane, i.e. Redners, Arby's, Wendy's and all the other stores. She stated that there is a connection at Krick Lane that flows into Lower Heidelberg too and it is not listed in the agreement.

Discussion ensued as to what flows where with the help of a map.

Mr. Butkus stated that he believes Mrs. Moser is correct and that there is other unmetered flow coming into Lower Heidelberg from South Heidelberg and that it crosses Penn Avenue but not at Beacon Road. Mrs. Moser stated that it doesn't matter now because Lower Heidelberg is being charged on water consumption. But once they go to the flow meters they are not going to be very happy because they know it is there and they are going to tell the Borough that they are not paying for South Heidelberg's flow. Mr. Butkus stated that the easiest way to prove it would be to put dye in the line and see where it comes out.

Mrs. Moser stated that the other thing that she and Mr. Schlott had gotten into was the calculation. She stated that Exhibit "C" says 'example of calculations' and it is blank. She stated that she spent a lot of time going through these agreements and she does not agree with the calculations. She stated that she is more than willing to say that she is wrong, but she wants someone to sit down with her and show her how they came up with these figures. Mr. Butkus stated that he believes that someone may have gotten EDU's and gallons mixed up.

Mrs. Moser stated that the one thing that she is really concerned about with South Heidelberg is that they have the Chinese Restaurant, Redners; which has their own butchery, kitchen and bakery, the Taco place, Wendy's, and Arby's which are all very high excess. She stated that we are talking about what is being tested and where it is being metered, and if it says that it is going one place and it is actually coming in another way, are we missing something. She stated that our BOD has been high and they have gone thought the lab and split the samples and have ruled out the labs. She thinks maybe we are looking at the wrong source.

Mrs. Moser stated that she knows that we are being disbanded and there is nothing that we can do about it. But, if it is necessary to have the Municipal Authority's signature on this agreement then she would like to have her request acted on. If it doesn't matter, because we are being disbanded, then we are preaching to the choir anyway.

Mr. Hoffert stated that his concern would be with the assurance that there is no connection where we believe there is one. Mr. Morrison stated that it would take some field investigation.

JOHN HOFFERT: (Cont.)

Mr. Butkus stated that on page 5, section (p), it talks about inflow and lists cooling water discharge as inflow. Mr. Butkus stated that cooling water discharge is not inflow and is required to be put in the sanitary sewer.

Mr. Butkus mentioned that on Page 10 it talks about excess discharge and that there would be penalties on the third consecutive month. He believes that penalties should be charged in the first month when it first occurs. He mentioned that if you let it go until the third month, then it has an effect on your Chapter 94 Report, which should not be.

Mr. Butkus mentioned that on Page 12, Section 3, it talks about charges. He stated that it does not address transportation costs. Mr. Morrison stated that it might be included in the net operating costs.

Mr. Butkus mentioned that on Page 16, Section (c), he would like to know who pays for repairs to the meters and why the cost of the meters should be shared. He believes that the meters should be the Township's expense to clean and maintain and calibrate, and that is not how he reads it. Mr. Leiby mentioned that on page 15, section (i), it states that the Township Authority shall pay for, own, maintain and operate the Meters. Mrs. Moser stated that page 16, Section (c) contradicts that and says that if there is a malfunctioning meter that the Borough or Borough Authority are responsible for costs and repairs. It also states that the semi-annual calibrations cost be shared.

Mrs. Moser stated that on page 21, Section 5, under Covenants, she believes that one of the items should be that a sewer plan be presented to the Borough or Authority of all sewer lines.

Mr. Butkus asked about page 24, section 5.4, Covenants of Township. He stated that he doesn't like that it states that the Borough cannot change the rules, regulations or ordinances without the Townships approval. He doesn't believe that is right, because it is our sewer plant.

Mr. Hoffert stated that the Authority cannot, in good conscience, sign this agreement until certain questions that we believe to be important are answered.

Mrs. Moser stated that what she would like is to have a letter of concern sent to Borough Council listing all of these issues. She wanted to know if Council even read the agreement. Mr. Butkus agreed and asked Mr. Hoffert to send a letter to Borough Council and Mr. Fitzpatrick stating that these are our concerns and until they are addressed we could not in good conscience sign the agreement. Mr. Hoffert stated that he would do a draft of the letter and give it to Ms. White for distribution to all members of the Authority so that they can make sure all of the concerns are listed and make notes if anything is missing. Mrs. Moser stated that we have legitimate concerns and we are not withholding our signature because we are being disbanded.

JOHN HOFFERT: (Cont.)

Mr. Moser wanted to know what happens if the state comes back and says that they do not favor disbanding this board. Mr. Hoffert stated that he doesn't think that the state has a say in it. He stated that they can only make us comply with the regulations to disband, but they do not have any voice in whether or not the Borough disbands us or not.

Mr. Moser asked when the letters would go out to the property owners on Mt. Home Road. Mr. Morrison stated that it has to be approved by the Borough first. Mr. Hoffert stated that we should get to the Borough so that they have it for the meeting next Thursday.

Mr. Butkus stated that he had one more thing. He stated that we finally received the audit report. He mentioned that when we received the draft he called them and straightened one thing out that was blatantly wrong. He stated that he wanted to go over it and make sure that it is correct.

TREASURER'S REPORT:

Mr. Butkus asked if everyone had received a copy of the Treasurer's Report dated October 14, 2008 and if anyone had any questions. Motion was made by Mr. Leiby to accept the Treasurer's Report; seconded by Mrs. Moser. Motion carried.

Ms. White mentioned that the CD at Sun Federal matured on October 18, 2008 and it will automatically roll over if we don't pull it out. Mr. Butkus stated that we should close it out and roll it into the checking account to pay the bills.

APPROVAL OF BILLS:

Mr. Butkus went over all of the bills as listed below.

One bill from Mr. Hoffert in the amount of \$400.00 for services through October 27, 2008.

One bill from Ms. White in the amount of \$50.00 for attending the September 9, 2008 Authority meeting.

One bill from the Reading Eagle in the amount of \$194.05 for advertising the audit notice.

Five bills from ARRO Consulting, which he went over individually, totaling \$21,424.17.

One bill from Reinsel for \$1,400.00 for the audit which was held last meeting.

APPROVAL OF BILLS: (Cont.)

Mr. Butkus stated that we will hold Reinsel's bill again until he has time to go over the report. Mr. Leiby made a motion to hold Reinsel's bill until the next meeting; seconded by Mrs. Moser. Motion carried.

Mr. Leiby made a motion to approve all of the above listed bills except Reinsel's; seconded by Mrs. Moser. Motion carried.

Mr. Butkus stated that the bills for ARRO should be submitted to the Borough for payment since we do not have enough funds to pay it.

Mrs. Moser mentioned that at the last Council meeting, Council approved all of the meeting dates for all of the boards for next year and the Municipal Authority was not included in that. She stated that if they can close us out within thirty or sixty days we don't have to worry about it but otherwise we are not approved by Council for any meeting starting January 2009. Mr. Hoffert stated that he suspects, in light of the reference to Susquehanna, that they truly plan to close us out rather expeditiously, if not, they will have to advertise for additional meetings. Mrs. Moser stated that they will have to approve it in their minutes that they are approving the Authority to meet.

Mr. Hoffert asked about the next regular meeting which would be November 11th. Mr. Butkus stated that he will not be here for that meeting. Mrs. Moser asked if we can schedule another time and have it advertised. Mr. Butkus stated that he will be away from November 8th through November 16th. Mr. Hoffert stated that he is leaving on November 13th for a week. Ms. White suggested we just skip the November meeting and meet in December. Mr. Hoffert stated that he could have someone else attend in his absence. Mr. Butkus stated that if we can get a quorum then we should just have the meeting on the 11th.

ADJOURNMENT:

Mr. Butkus asked if there was anything else for the good of the order and asked for a motion to adjourn.

Mr. Leiby made a motion to adjourn at 8:35 p.m.; seconded by Mrs. Moser. Motion carried.

Respectfully Submitted,

Elizabeth White
Municipal Authority Secretary/Treasurer