

The regularly scheduled monthly meeting of the Municipal Authority of the Borough of Sinking Spring was opened on Tuesday, October 9, 2007, at 7:30 p.m., at the Sinking Spring Borough Hall, by Mr. Francis Butkus. The following Authority members were present:

Francis Butkus
Shawn Schwartz (Absent)
Paul Roth (Absent)
Richard Biggs
Dennis Leiby

Others present were: Mr. Alex Morrison, ARRO Consulting, Municipal Authority Engineer; Mr. John Hoffert., Authority Solicitor; and Ms. Elizabeth White, Municipal Authority Secretary/Treasurer, who recorded the minutes of the proceedings. Council Representatives included; Mr. George Butkus and Mrs. Barbara Kutz.

Guests: Mr. Mike McCormick

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. Hearing none he asked for a motion to approve the minutes from September 5, 2007 and September 11, 2007. Motion was made by Mr. Biggs; seconded by Mr. Leiby to approve both sets of minutes. Motion carried.

GUESTS:

Mr. Mike McCormick stated that he was here for the Traditions Plan. He stated that they have presented some meter data because part of it is a use that is not necessarily covered in the DEP manual. He stated that they have also submitted some projected EDU usage which is being reviewed by the Authority Solicitor and Engineer. Mr. Morrison stated that they just received the information tonight and that they did provide a rational method for the calculation. He stated that they do need to look at it and make sure that we concur with the values. He stated that Mr. Hoffert has been working on the back bone of an agreement. Mr. Morrison stated that we are also looking for concurrence of the Borough before we would proceed, Mr. Hoffert stated that he believes that it would be mandatory in light of the Borough's previous actions. He stated that anything that the Authority approves is subject to the approval of the Borough and the execution of an agreement. He stated that he believes that we should have their signature to it. He stated that based upon our last report from the Engineer, and the projected deficiency, we have to be careful that if we commit ourselves to treat the sewage flow from Traditions that we have enough capacity. He also mentioned that the Borough has to go along with the care and treatment of the I & I because if they don't we are not going to have the capacity.

Traditions Discussion:

Mr. Butkus asked what the projected capacity is that they would need. Mr. Morrison stated that right now it looks like they would need about 33,000 gpd. Mr. Butkus mentioned that since this would emanate from the Borough, at this point yet, we could invoke our 75,000 gpd at Spring Townships plant which by the agreement says that the 75,000 gpd must be developed with in the Borough. Mr. Hoffert stated that it is an option. Mr. Hoffert mentioned that he has a practical concern that it be subject also to the Borough Council's approval. He stated that this also calls for them to put in that corrected main extension and that their projected cost for that is close to \$175,000.00 which they discussed last Thursday. Mr. Hoffert mentioned that he met with them in his office last Thursday, which he confirmed with Mr. Butkus that it was all right to do so. He stated that he had also spoken with Mr. Morrison and that they spent some time roughing up some agreements that he has to take the edge off of yet. Mr. Morrison stated that typically we would be looking for a condition in there that says that we agree to this much flow, however there is differences since every place is a little bit different, that we would like to have the right, after they are in and operating, to go back and reevaluate the capacity and if it happens to be more we would ask them at that time to purchase additional capacity. He stated that he wants to take this information back and review it with Mr. Schlott who will review it with the Borough and we will get this on the move. Mr. Morrison stated that he wasn't sure of what Mr. McCormick's schedule is for public hearings and when they would need what from the Authority. Mr. McCormick stated that he did not know when they needed action by the Authority, and that they have a hearing tentatively scheduled for October 31, 2007 with Council. He mentioned that he did not know if Council would take action but mentioned that Council did ask that he meet with the Authority prior to that. Mr. George Butkus mentioned that it is the conclusion of the conditional use hearing and not a plan review. Mr. Morrison informed Mr. McCormick that the Authority meets the second Tuesday of the Month so we would not have a meeting between now and then. He stated that if to conclude that hearing they need an agreement it is not going to be there, so they will have to let us know.

Mr. Biggs stated that the important thing is that Mr. Butkus's point is well founded and that we have the capacity. Mr. Morrison stated that we can make it work and that we have two alternatives.

Mr. McCormick stated that he can also address to the Authority Board and concur with Mr. Morrison's assessment. He stated that they have done that on other jobs were they have had post development flow metering and it is totally agreeable with them. He stated that they have done a number of these facilities and they are pretty comfortable with the meter data that they have presented to Mr. Morrison.

Mr. Leiby asked if Mr. McCormick will need a letter from the Authority prior to the hearing. Mr. McCormick stated that they can say that they met with us and if they can get a letter prior to that it would be great. Mr. George Butkus stated that he thinks part of the confusion was that it is usually one of the things that is presented during plan review and not a conditional use

Traditions Discussion: (Cont.)

hearing. Mr. McCormick mentioned that the Borough undertook an adoption of some ordinance revisions to accommodate this plan that the Ordinance basically says that you will be served by public water and sewer. Mr. McCormick stated that to him that is a continuing condition and until it is resolved you can't undertake your project but it doesn't necessarily mean that you couldn't obtain the approvals.

ENGINEERS REPORT:

Mr. Morrison presented the Engineers Report dated October 10, 2007. Copy attached.

Mr. Morrison stated that one thing that is not in the report is regarding a letter to Alcon Industries. He stated that at the last meeting we had discussed preparing a letter regarding their flows from their facility. He stated that he has a draft of that 90% done and that he will get it cleaned up tomorrow. He mentioned that he would like Mr. Hoffert to look at it and give it his blessing. Mr. Hoffert stated that he will have time to take care of that if Mr. Morrison gets it to him no later than Friday. Mr. Morrison stated that it is not a long letter and that it is only one page.

Sewer System Infiltration and Inflow Project:

Mr. Morrison stated that the PaDEP was contacted and made aware of the intended repair procedure. He stated that when they discussed it with them they requested that ARRO send them a letter so that they have it for their records. He stated that he has handed out a copy of the draft letter so that every one can review it and if everyone concurs ARRO will finalize it and send it on. Mr. Butkus stated that it looks fine. Mr. Morrison stated that it basically states that we are going to line that piece of sewer and replace the laterals to the curb. He stated that is with the expectations that Traditions will be putting in a parallel sewer line or in the future the Authority will put in the parallel sewer line.

Mr. Morrison stated that the project has been advertised for bid with an expected bid receipt date of November 7, 2007. He stated that it is a week before our next meeting and that ARRO will review those bid documents and try to have a recommendation concerning Notice of Intent to Award for the next Authority meeting. He stated that he did provide a set of the Specifications to Ms. White so that we have them here in the office in case someone wants to come in and look at them.

ENGINEERS REPORT: (Cont.)**Mountain Home Road Sanitary System Additions Project:**

Mr. Morrison mentioned that there was a site meeting between E. Kuser Inc., ARRO and representatives of Bilco Safety Products to discuss access during construction. He stated that to date related shop drawings have been submitted and the contractor is waiting on related equipment to be delivered.

Wastewater Treatment Plant Project:

Mr. Morrison mentioned that a PSA was signed, however, DEP is requiring a special study as a planning document. He stated that the Borough had some concern and because of that we had our special meeting. He stated that the Borough asked for a summary of the project which ARRO prepared and presented at the last Authority meeting. He stated that with the Authority's concurrence ARRO forwarded the summary to the Borough.

Mr. Morrison stated that because of that ARRO has slowed the design efforts until they have some confidence that we are going to do everything that is in the contract. Mr. Butkus asked what our response to DEP will be if the Borough says no. Mr. Morrison stated that there is the possibility that we could pursue all of the corrective action needed based on I & I removal. He stated that it is risky because you don't typically get all of your I & I removed, and to think that you are going to recapture enough flow based on the I & I project to get you out of the projected overload, is possible but may not come to fruition. He stated that in the past the Borough basically has agreed in one fashion or another to all of these topics, it is just whether they are going to do them now or wait and try to do them later. He stated that he hopes they review it and agree.

Mr. Morrison mentioned that, with Mr. Butkus's approval, he called Mr. Mike Setley, who has helped us in the past. He mentioned that Mr. Setley is a Financial Consultant and an attorney. Mr. Morrison stated that the question he had for Mr. Setley was more or less posed by the Borough. He stated that it seemed like the Borough had a concern that money borrowed by the Authority for the treatment plant might affect their borrowing capacity. He stated that we are getting this information second hand and encouraged the Authority to speak to Mr. Setley directly. He also stated that Mr. Setley offered to send a letter or come to an Authority or Council meeting and explain this. He stated that Mr. Setley's comment was that there is a federal tax law which limits the Borough to ten million dollars in borrowing in any year and it is the Borough and any extension and the Authority would be considered an extension. He also stated that the next year you could borrow more money and split it into two borrowings. He also noted that a borrowing of the Authority could have what is called a self liquidating debt report which the engineer would prepare. He stated that the report would basically say that we borrowed this money and the rates are such that it will cover the cost of paying back this

ENGINEERS REPORT: (Cont.)

indebtedness. He stated that with that report then any concern that a loan company would have would go away.

Mr. Butkus stated that the self liquidating debt report would have to be based on a current rate study. Mr. Morrison stated that a current rate study or at minimum a pledge of rates, which the Borough controls that says that we will raise the rates if needed to pay for this loan.

Mr. Biggs asked if we were going to go forward with the rate study. Mr. George Butkus stated that after the joint meeting last month and after Council had discussed that issue in the meeting the next day there were no issues brought up about the rate study. He stated that Council had approved the rate study several months ago, however the President of Council call him and informed him that the rate study had been put on hold until March of next year. Mr. Biggs asked if it was by motion and vote. Mr. George Butkus stated that it was not. He stated that Mr. Schlott believes the reason for waiting was because of there being several things up in the air including the settlement with South Heidelberg, and the possibility of going to flow meters for the out lying municipalities in the future. Discussion ensued.

Mr. Morrison asked if they should stay slowed on the design for one more month and then jump forward or do we want to push forward with this now. He also mentioned that sometime we will want to consult with a professional like Mr. Setley or others to decide how we are going to obtain this money if we do this project. He stated that it could be a bond issue or a bank loan. Mr. Biggs stated that there is no question that we have to do this and that we should not hold it up. Mr. Butkus stated that he has a fact sheet that they downloaded from DEP's web site concerning what actions a permittee must take when a treatment plant or lines are over loaded. He stated that one of the highlighted items is that work must begin on planning, designing, financing and constructing facilities of sufficient capacity to meet the demand for a reasonable time in the future.

Mr. Biggs stated that he sees no reason for Mr. Morrison to hold up on the design and asked Mr. Leiby his thoughts. Mr. Leiby stated that he doesn't see why he should have to slow down and that we are going to have to get it done. Mr. Morrison stated that they can proceed then with the design if that is the Authority's pleasure, and if something gets added or subtracted then they can do it by addendum. Mr. Hoffert asked what Mr. Morrison's projection was to get the design done. Mr. Morrison stated it would be about six to nine months and that they will probably make a decision by then.

Mr. Hoffert suggested that we invite Mr. Setley to our December meeting to make a presentation. He mentioned that he will not be at the November meeting. He stated that with the Authority's permission he will contact Mr. Setley and try to schedule it. Mr. Butkus stated that we should go ahead with this because it has to happen. Mr. Morrison stated that they will proceed with the design also.

ENGINEERS REPORT: (Cont.)**Hull Street Apartments - Planning Module Exemption:**

Mr. Morrison mentioned that at the last meeting we had explained to the developer that we could not take the planning module exemption package at this time and because of that ARRO has returned that package to them with a letter of explanation. He stated that they have not received a response back from them and when they do we will address it. Mr. Butkus asked if we could lump this in with what Traditions needs to possible sent to Spring Township. Mr. Morrison stated that it is an alternative. Mr. Biggs asked if we should study that agreement. Mr. Hoffert stated that he will take a good look at this week.

MR. HOFFERT - SOLICITOR:

Mr. Hoffert stated that Ms. White has given him the Right-of-Way Agreements for Mt. Home Road which he will record tomorrow.

Mr. Hoffert mentioned that he did meet with Mr. McCormick and his council last Thursday in his office. He stated that they went over the installation of the revised sanitary sewer line that will be on Broad Street. He stated that it will be about 125 feet of new installation that will aid and assist that area. He stated that he has also started on a rough draft of the agreement. He stated that he and Mr. Morrison will try to conclude that in the next couple days. He stated that they will provide Ms. White with a draft for distribution so that it can be reviewed and returned with comments and suggestions.

Mr. Butkus mentioned that he had the bulk sewage agreement that needed to be executed. He stated that we had authorized it a while ago.

APPROVAL OF BILLS:

Mr. Butkus stated that we have five bills from ARRO Consulting totaling \$13,376.59. Motion was made by Mr. Leiby to pay the bills; seconded by Mr. Biggs. Motion carried.

Mr. Butkus stated that we have a bill from Mr. Hoffert for services rendered through October 9, 2007 in the amount of \$500.00. Motion was made by Mr. Leiby to pay the bill; seconded by Mr. Biggs. Motion carried.

Mr. Butkus stated that we have a bill from Ms. White in the amount of \$240.00 for services rendered for September 2007. Motion was made by Mr. Leiby to pay the bill; seconded by Mr. Biggs. Motion carried.

APPROVAL OF BILLS: (Cont.)

Mr. Butkus mentioned that we needed to return \$20,000.00 to Wright Elliott for overpayment of EDU's for Brookfield Manor. He stated that last month Ms. White reported that she received a check from Mr. Jim Elliott in the amount of \$25,000.00 for payment of EDU's on the last ten unsold lots in Brookfield Manor. Ms. White deposited that check on August 31, 2007. He stated that Mr. Elliott then came back stating that Ryan Homes had already paid for some of those lots. Ms. White, after careful research determined that eight of those lots had already been paid for. Mr. Biggs made a motion to return the \$20,000.00 overpayment to Wright Elliott; seconded by Mr. Leiby. Motion carried.

TREASURER'S REPORT:

Mr. Butkus asked if everyone had received a copy of the Treasurer's Report dated October 9, 2007 and if anyone had any questions. Motion was made by Mr. Leiby to accept the Treasurer's Report; seconded by Mr. Biggs. Motion carried.

Mr. Butkus mentioned that the CD that we have at Sun Federal Credit Union matures on October 19, 2007. Discussion ensued as to what to do with the funds and what bills were coming due. Decision was made to leave it in a CD at Sun Federal since they do not charge us any fees for early withdrawal.

MR. GEORGE BUTKUS:

Mr. George Butkus mentioned that a new permanent replacement was hired by Miller Environmental for the day to day operations at the sewer plant. He also mentioned that in Miller's monthly report to Council they have now added additional information showing all of the loading of the BOD, TSS, Ammonia and the total flows.

Mr. George Butkus also mentioned that Council has approved buying new computers and a color printer for the sewer plant. He mentioned that there will be two desk tops and a lap top that they can use in the televising truck when they collect the I Spy units and down load the information right there instead of dragging it back to the plant to download. He stated that there will also be a scanner purchased for all of the Industrial User Permits to that they can be kept on the computers.

MR. FRANCIS BUTKUS:

Mr. Butkus asked Ms. Reifsnyder from Lower Heidelberg Township if we have been receiving the minutes from their meetings. Ms. Reifsnyder stated that they dissolved their Authority so we would not receive any minutes from them. She did stated that she could make sure that we received copies of their Township Minutes. Ms. White mentioned that she was receiving copies of their minutes prior to them dissolving their Authority. Ms. Reifsnyder stated that Ms. White should let her know where they stopped at and that she would send any that are missing.

ADJOURNMENT:

Mr. Butkus asked if there was anything else for the good of the order.

Mr. Leiby made a motion to adjourn; seconded by Mr. Biggs. Motion carried.

Respectfully Submitted,

Elizabeth White
Municipal Authority Secretary/Treasurer