

The regularly scheduled monthly meeting of the Municipal Authority of the Borough of Sinking Spring was opened on Tuesday, February 13, 2007, at 7:35 p.m., at the Sinking Spring Borough Hall, by Mr. Francis Butkus. The following Authority members were present:

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

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

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. Motion was made by Mr. Leiby; seconded by Mr. Schwartz. Motion carried.

ENGINEERS REPORT:

Mr. Morrison presented the Engineers Report dated February 13, 2007. Copy attached.

Sewer System Televising Project:

Mr. Morrison stated that we have Pay Application No. 2 in the amount of \$14,896.12 in which ARRO recommends payment in that amount. He stated that he has four (4) copies to be signed tonight if the Authority concurs. Mr. Leiby made the motion to pay ADS \$14,896.12 for Pay Application No. 2; seconded by Mr. Schwartz. Motion carried.

Mr. Morrison mentioned that they also submitted Pay Application No. 3, however, there were various errors so it was returned to them for corrections.

Mountain Home Road Sanitary System Additions Project:

Mr. Morrison stated that there was some confusion on the owner of one of the properties. He stated that the Lincoln Plumbing Supply property agreement was revised to the correct name of APR Supply Co. and that the revised Agreement has been sent. He also mentioned that Mr. Guitieri had been sent a revised agreement, and that we have not received the signed agreement back yet.

ENGINEERS REPORT: (Cont.)**Hydraulic Model:**

Mr. Morrison mentioned that the Hydraulic Model Draft Report was submitted at the December 2006 meeting and that we should still have a workshop meeting with some of the Authority members that are familiar with the sewer system and also the operations staff from Miller Environmental to go over it.

Upgrade and Minor Wastewater Treatment Plant Expansion:

Mr. Morrison stated that the analysis has been initiated and is about 65% complete. He stated that they do want to review the Chapter 94 Report flow information which is due at the end of March. He stated that the study should be complete by the April Authority meeting.

Wastewater Treatment Plant Capacity Information Request:

Mr. Morrison stated that he does have a draft letter that we will go over in the letters section.

Schneck:

Mr. Morrison stated that he had one of his associates go out to the site and review it. He mentioned that it is technically feasible but that it would be a financial burden for one property owner. He stated that the alternative would be to release that flow to the Township of Spring because they have a closer manhole. He stated that he would recommend that Mr. Schneck approach the Township to see if they would take the flow. He stated that if the Authority concurs then a letter should be prepared stating that we would not mind giving up the flow to the Township due to the difficult conditions.

Mr. Leiby mentioned that he had spoken to Mr. Ludgate on another matter and that Mr. Ludgate stated that Miller Builders Supply had submitted a permit to do an expansion. He stated that Mr. Ludgate also mentioned that Miller would also like to be sewer connected. Mr. Morrison stated that everyone should have a copy of the letter dated February 13, 2007 that ARRO prepared for the Authority concerning the Schneck property. Mr. Morrison reviewed the letter. He also mentioned that it is his understanding that Mr. Schneck was looking for a letter stating that it is technically feasible so that he could give it to the mortgage company because he is looking to sell the property and the mortgage company wanted a second alternative for handling the sewage.

ENGINEERS REPORT: (Cont.)

Mr. Leiby also mentioned that the gas station would be interested in connecting and if the gas station is included then you would not need an easement because it would go right through the Miller property. Mr. Butkus mentioned that it would call for a Railroad Boring. Mr. Leiby stated that they could ease down the Railroad too. Discussion ensued.

Mr. Hoffert stated that he would give Mr. Schneck a call tomorrow and explain the situation to him. Mr. Butkus asked for a motion for Mr. Hoffert to contact Mr. Schneck about his options and to let him know that The Sinking Spring Municipal Authority is not opposed to him going to the Township of Spring. Motion was made by Mr. Leiby; seconded by Mr. Schwartz. Motion carried.

Letters:

Mr. Morrison mentioned that we covered most of the letters. He did mention that ARRO received a price quote from EIMCO on February 2, 2007 regarding the wastewater treatment plant equipment. He stated that there is a letter from ARRO to the Authority dated February 13, 2007 recommending that the Authority execute a purchase order for the EIMCO equipment. He also mentioned that we have received an opinion from Mr. Hoffert stating that we don't have to bid it because it is proprietary equipment. Mr. Morrison stated that if the Authority concurs then he would suggest that Ms. White talk with Mr. Schlott Jr. and work up a purchase order. He stated that the quote is for \$76,209.00 and that the price is good for thirty (30) days.

Mr. Leiby asked if this was considered normal wear and tear on the machinery and if it was a Borough expense. Mr. Morrison stated that it could be look at both ways. He stated that the facilities we have are not worn out and the reason that we are pursuing this is because there is up to a thirty (30) week delay time so we are really protecting our investment by obtaining another piece of capital to have on the shelf. However, he mentioned that it is an item that will wear out eventually. Mr. Leiby asked if we could bill the Borough when it does wear out. Mr. Hoffert stated that you can try. Discussion ensued.

Mr. Butkus mentioned that the monies that were to be in the sewer revenue account were to be for maintenance. Mr. Hoffert stated that the account was never set up. Mr. George Butkus stated that he believes the point of confusion is that based on Mr. Fitzpatrick's interpretation, excess money generated has to go into the maintenance account, however, if there is no excess money generated they shouldn't have to kick in, to which his response is that it may be true but it is poor planning. Mr. Francis Butkus stated that this came to light the last time we did a bond issue, because the bank did a survey and they then said that our rates were 44% to low and that we had to raise them so that when the rates are set the money derived from the sewer revenues should be 15% to 20% above actual operating costs to do this type of normal long term maintenance which has been ignored. Mr. Butkus also mentioned that he believes that several

ENGINEERS REPORT: (Cont.)

members of Council are under the opinion that the Authority is a revenue generating devise because we have this money in our grasp at this time. He stated that is false because that money was derived from selling capacity at which we mortgage to make capacity in the plant. He stated that we do not derive any money from it and he doesn't think that has ever been explained to them. He stated that he would like to have a joint meeting of the full Council and the full Authority that is well advertised to the community. Mr. Hoffert stated that as long as it is advertised we can do it. Mr. Butkus stated that he would like to explain to the community and to Council where we are at, how we got here and how things works. Mr. Hoffert stated that it is a good suggestion but the problem that we have is that there is a lot of assumptions but they don't know all of the facts. Mr. Morrison stated that the other thing you might want to consider is whether you want to have this report done on the treatment plant upgrade and minor expansion so you can explain it to them at the same time. Mr. Butkus stated that he did want to include that so the end of April or early May would be a good time.

Mr. George Butkus mentioned that at the last Council meeting they authorized ARRO to do a full rate study and that Mr. Schlott Jr. feels that in three (3) to four (4) months we could have it done.

Mr. Morrison mentioned that he and Mr. Butkus had met at the sewer plant with the Sewer Committee. He asked if the Sewer Committee had reviewed it with the Borough and if a decision was made to ask the Authority to take on that work? Mr. George Butkus stated that detail was not worked out however they did agree to do the rate study and that they are adding a fourth person from Miller Environmental to the sewer plant. He stated that the rest was deferred to setting up a meeting referred to by Mr. Fitzpatrick in his letter to hash out exactly who is responsible for what at what time. Mr. Hoffert stated that it might as well be deferred until we have our joint meeting because Mr. Butkus can add some clarity to the confusion. Mr. Morrison stated that the Borough has a lot of miscellaneous tasks that they want to have done, some of which is in their budget some of which is not so it will be good to have the meeting and work it all out.

Mr. Leiby made the motion to have Ms. White do the purchase order for the EIMCO equipment; seconded by Mr. Schwartz. Motion carried.

Mr. Morrison stated that the last item he has is regarding the letter he has marked as a draft and it is a response to Mr. Zerr. He stated that it was up to the Authority if they wanted to do it as part of the recorded minutes or go into executive session since there could be some changes.

Executive session 8:00 p.m. to discuss the draft letter prepared by Mr. Morrison in response to Mr. Zerr's request for capacity information.

ENGINEERS REPORT: (Cont.)

Reconvened 8:25 p.m.

Mr. Butkus asked for a motion to have Mr. Morrison make the little addition from Lower Heidelberg Township to the report that he made up for Mr. Zerr. Motion was made by Mr. Leiby; seconded by Mr. Schwartz. Motion carried.

MR. JOHN HOFFERT - SOLICITOR:

Mr. Hoffert stated that as Mr. Morrison indicated, we revised the Right-of-Way Agreement for Lincoln Plumbing to read APR Supply and sent it to the attention of Mr. Dale Berger on February 7, 2007.

Mr. Hoffert stated that he sent the letter to Lower Heidelberg Township that was missed last month in connection with future capacity.

Mr. Hoffert also mentioned that he did receive a letter from Mr. Fitzpatrick and that we can attempt to do a joint meeting. He stated that he will call Mr. Fitzpatrick just to let him know that he is not ignoring him and that an advertised joint meeting would be appropriate.

APPROVAL OF BILLS:

Mr. Butkus stated that we have one bill from Mr. Hoffert for February '07' services for \$250.00. Motion was made by Mr. Schwartz to pay the bill; seconded by Mr. Leiby. Motion carried.

Mr. Butkus stated that we have a bill for \$240.00 from Ms. White for services rendered for December 2006. Motion was made by Mr. Butkus to pay the bill; seconded by Mr. Leiby. Motion carried.

Mr. Butkus stated that we have five bills from ARRO Consulting totaling \$10,772.84. Motion was made by Mr. Leiby to pay the bills; seconded by Mr. Schwartz. Motion carried.

TREASURER'S REPORT:

Mr. Butkus asked if everyone had received a copy of the Treasurer's Report dated February 13, 2007 and if anyone had any questions. Hearing none he read the Treasurer's Report and asked for a motion to accept. Motion was made by Mr. Leiby to accept the Treasurer's Report; seconded by Mr. Schwartz. Motion carried.

ADJOURNMENT:

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

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

Respectfully Submitted,

Elizabeth White
Municipal Authority Secretary/Treasurer