

**Minutes
North Lebanon Township Municipal Authority
May 13, 2004**

The meeting of the North Lebanon Township Municipal Authority was held on Thursday, May 13, 2004, at 7:00 PM at the North Lebanon Township Municipal Building, 725 Kimmerlings Road Lebanon, PA.

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| Thomas Parry | Chairman |
| Wynanne Demler | Vice-Chairman |
| Tod Dissinger | Treasurer |
| Ronald Ensminger | Secretary |
| Susan Switzer Pierce | Asst. Secretary |
| Sheila Wartluft | Asst. Mgr. |
| Fred Wolf | Henry & Beaver |
| Scott Rights | Steckbeck Engineering |

Also in attendance were Wastewater Foreman Mike Kneasel and 5 Township residents.

Chairman Parry then asked for a motion to approve the April minutes as presented. Treasurer Tod Dissinger questioned the cost of the bores or "pigs" that were left under Maple Street. There was some confusion as to the cost as discussed in the meeting and the cost listed in the minutes.

MOTION: Motion was made and second to approve the April minutes. Motion approved.

Next, Chairman Parry asked for a motion to approve all invoices and requisitions for payment, all which are subject to audit.

MOTION: Motion was made and second to approve the invoices and requisitions for payment all subject to audit. Motion unanimously approved.

COMMENTS FROM THE PUBLIC

William J. McMichael – 811 Kimmerlings Road

Mr. McMichael said he thinks everyone is in agreement with the lateral fee that they must pay. What they are not in agreement with is the fact that they are being forced to connect to public water before they need it. They would rather be able to hook up, as needed, not being forced to do so. They would hook up when their well goes bad or their water goes bad or when you have the money. Chairman Parry said that would be contrary to the ordinance that they have to abide by and the Authority has no control over the ordinances. The ordinances are set by the Board of Supervisors, the Municipal Authority is not a legislative body, the

William J. McMichael – 811 Kimmerlings Road(cont'd)

Supervisors are. Sol Wolf indicated that the City is requiring this in the agreement between the Authority, the Township and the City of Lebanon. Mr. McMichael then asked if he has to go the City in order to wait to hook up? Sol Wolf and Chairman Parry, both said no, there really is nothing that can be done. The Authority does not pass ordinances, the Supervisors do, and they are the legislative body of the Township. We must obey them, just as you do. Sol Wolf said that Mr. McMichael could go to the Board of Supervisors meeting on Monday night. He stated that both the Authority and the Township had asked the City several times, whether or not they would allow customers to hook up at their convenience and they said no on all occasions because they are going to be maintaining the lines and they said if they are going to be maintaining it, they want everyone hooked up. Someone in the audience then said, but this Board is enforcing those laws, are they not? Chairman Parry said they do not enforce the laws or ordinances, the Supervisors do. The Authority has to go by the same rules and regulations as the rest of the people in the Township. Sol Wolf said the Board of Supervisors would enforce the ordinance. Chairman Parry said that the people that would not connect within the 90 days would be subject to paying the debt and all other fees attached to the water project, with the exception of the fees connected to the water meter reading and the connection fee. If they choose to wait and connect, they have to understand that the connection fee will no longer be \$1,000. But more likely closer to \$2,000 - \$2,500. That is a choice that the homeowner will have to make. Mr. McMichael said that should be up to the homeowner to make the decision whether they want to connect or not. Parry said if they choose to ignore the hook up letter or not, that is their decision to make. The Board cannot make that decision for them. The Authority has to abide by the ordinances, just as everyone else does. Sol Wolf said that if they so choose to delay the connection, that request and decision has to be made by the Board of Supervisors. He reminded them that the Board of Supervisors meeting is this coming Monday at 7 PM.

Chris Beiler – 1625 North 8th Avenue

Mr. Beiler said he has been receiving the mailings concerning the water project and last week he received the packet containing 3 individual packets addressing the three apartment units he has on his property. He wants to know how you can justify charging him for 3 hook up fees for one connection? He said that in the ordinance it states, "providing for the tapping fee to be paid for by the owner of each property to be connected to the public water system and to provide penalties to those that violate the ordinance". According to this, it is providing that the owner of the property pay the tapping fee. How did you come to the conclusion that my property is three properties? Chairman Parry indicated that this Board, the Authority Board, passes a resolution of fees every year. The one that was adopted in November 2003, states, "tapping fees per EDU (equivalent domestic unit), will be as follows, existing homes in the area, \$1,000 per EDU." Each of Mr. Beilers' apartments is considered an EDU per our rate schedule. Based on that is why you

Chris Beiler – 1625 North 8th Avenue(cont'd)

received the three letters that you got. Mr. Beiler then asked if he should not have to have three connections then? Sol Wolf said no, you could use one connection for three meters. Mr. Beiler wanted to know how the cost would be justified for three tapping fees then? Chairman Parry said it is justified by the resolution he just read. Parry also said it is the same as the sewer projects. Mr. Beiler said it was not that way when the sewer was put in. They did not have to pay for three EDUs. Chairman Parry said he couldn't answer that question because he doesn't know what occurred at that time, he is only stating that this is how it should have been handled. Mr. McMichael said he was a property owner at that time and there was one fee. It doesn't make sense that Mr. Beiler should have to pay \$3,000 for one hook up. Whoever put it together certainly wasn't thinking. Member Dissinger said it would be the same if you had three homes, with three families living in them, that is 3 EDUS. This is the same scenario, 3 apartments, 3 EDUS. Mr. Beiler said he still doesn't understand how they can justify charging him for 3 when this is only one building. Chairman Parry said every other multi unit building received the same letter as he did and are probably wondering the same thing. Sol Wolf said the tapping fee is designed to pay only a portion of the cost of actually putting the water lines in the development and justified by the fact that each individual dwelling unit has to pay a part of the cost of laying the water lines. Each unit is getting the same service from the water line. Mr. Beiler said it didn't cost any more to put that line in front of his 3-unit apartment building than it did for the house next door. Sol Wolf said it is the same as the Mobile Home Park that will have one main line that will have 62 trailers connected to. He will be paying for 62 tapping fees. It would not be fair for the guy next door to pay the same as the trailer park with 62 families living in it. It would not be fair for the individual homeowner to pay the same for the tapping fee as an apartment complex with possibly a hundred families. Mr. Beiler said he couldn't believe that it would cost \$1,000 for the one service to a property. Sol Wolf said the cost is not for the service lateral, rather for the entire line that is being laid. That \$1,000 figure is based upon the number of dwelling units in the entire project area and the overall cost. Mr. Beiler then asked if he is going to have to pay three debt reductions per quarter as well? The answer to that is yes as well. Beiler still cannot see how the Authority can justify what they are charging him. He said he can somewhat see the \$47 per quarter debt per unit, but the \$1,000 for three connections when there is actually only one, he cannot see. Scott Rights then introduced himself as the Authority Engineer. He said that this is the standard of the industry for the municipalities. What Mr. Beiler is saying is correct in the fact that, yes, there is only one connection for the building itself. But, you are buying capacity in that line for those three services. You are going to use more water than the typical homeowner would. Mr. Beiler then asked why he has a bigger line than the other homeowners in the area? Scott said he wasn't sure if he has a ¾" or 1" line going into his building. Scott tried to explain that it is not a function of the work; rather, he is buying capacity in that line. The size of the line going into the building is irrelevant to the tapping fee. It is the capacity that he is buying into the line. If he had 150 units, there would be one water service line for that building

Chris Beiler – 1625 North 8th Avenue(cont'd)

coming off the water main. Beiler said then they would pay one fee. Scott said, no, they would pay 150 tapping fees. Scott then said a building with a business in it is going to pay at least one EDU. For every other business in that building, there will be an EDU charged. So if the building has 4 businesses in it, they will be charged for 4 EDUs. Sol Wolf gave the example of a shopping center. If there were 15 stores in the building, there would be 15 tapping fees due from that one building. He went on to explain that the \$3,000 that Mr. Beiler is paying will be passed on to the trustee to be put toward the bond for the construction of the line. This will be put toward the debt to bring the debt down. When there is more than one use in the building you have to pay more than one fee or it would not be fair to the individual homeowners. Sol Wolf said that if the public would look into the tapping fees of other projects in other area, they would find that the \$1,000 tapping fee per EDU is very nominal and almost unheard of. Plus the fact that we are giving everyone the opportunity to pay the tapping fee in installments. If there are people that have very specific hardships, we are working with them to pay the fee off in 5 years, interest free. The Authority has tried to set this up to be as affordable as possible for the homeowners and multi dwelling owners. Mr. Beiler said in answer to the question that was raised about, is it fair for a person owning a complex with 150 apartments in it to pay the same as an individual homeowner, yes it is. They are getting one connection from that line into their building, one connection. He agrees that they should be paying the \$47 per EDU per quarter for each of their units or businesses. He still does not see how they should be paying the tapping fee for each unit or use when there is only one line going into the building. Sol Wolf said what if the Authority would have said; you have to put three service lines into your building. What would you have said then? He said that would have been fine. Sol Wolf asked him if he realizes that he would then have to install three more lines and pay for the installation of those lines, which would have been even more expensive. Either way, he would have to pay \$3,000 for the tapping fees. Mr. McMichael asked to speak in Mr. Beilers' defense. He asked why he should have to pay for three lines when he only has one line gong into three meters? Sol Wolf said he is not paying for the line. That is the fallacy of this conversation. Everyone here thinks they are paying for the line. They are not. They are paying for the capacity for the water service and a portion of the cost of the line. McMichael then said the amount that goes through the meter is what his tenants are going to pay. Sol Wolf said that is the water usage that they use. That has nothing to do with the \$1,000 fee. The \$1,000 is for the service being made available to you. Mr. Beiler said all of the other mailings that he received about this project were just single letters. Why all of a sudden does he receive three letters? This seems to him that this was thrown to him blindly. Treasurer Dissinger asked Mr. Beiler if this is the first time he heard about the water project? Beiler said no. Sol Wolf said he is referring to the three tapping fees. He feels because he received only one mailing prior to the notice to connect, he should only have to pay the \$1,000. Sol Wolf said if he looks at the notice in detail, he would notice that it states \$1,000 per EDU. Beiler

Chris Beiler – 1625 North 8th Avenue(cont'd)

commented that it is still not right. Who else can he speak to change this? Chairman Parry said the Authority can take the subject under advisement and for discussion, and we can belabor the point here and now and make a decision. Assistant Manager Wartluft asked to speak for a few minutes. She said that we have things in the packet for people that have financial difficulties, if that is something that he is looking for. Chairman Parry said he doesn't think that is point that Mr. Beiler is trying to make. He wants to be forgiven totally from paying the three tapping fees. Sol Wolf said if we forgive from paying the three tapping fees, then we have to also forgive the other multi dwelling properties including the mobile home parks. Does he have any idea what that would do? Mr. Beiler said that is different because those are separate units, not in the same building. Sol Wolf said under the definition of EDU, "a mobile home, an apartment, a separate use of a building." Chairman Parry said he supposes if someone wants to take us to task on it, they can. He also feels we could be able to take a vote if the Board so desires. Tod said, where do you draw the line? Chairman Parry said it boils down to the fact that he is the owner of one piece of property just as Mr. Piazza is the owner of one piece of property. Mr. Beiler has three tenants under one common roof; Mr. Piazza has 62 tenants under separate roofs. But he is an owner of one property with three people he collects rent from. Sol Wolf said you have to keep in mind that there is a large piece of land that is in this project area that is zoned R-2, which provides for multi-family dwellings. Would it be fair for that owner to only pay \$1,000 for 350 apartments? No, it would not. This money is being used to pay down the debt for the entire project construction. Mr. Beiler said he thought the \$47 was to pay down the debt. Sol Wolf said that is part of it. Mr. Beiler then said, well there is an individual line laid in for those mobile homes that is different. Chairman Parry corrected him by saying there is one line and one line only going into the mobile home park for all of the 62 trailers. Well then, Mr. Beiler said, the only difference is that his apartments are all under one roof and the trailers are all individual buildings. Sol Wolf gave as an example the apartments that were built over at Lions Lake. Each one of those units were billed an individual tapping fee. There is only one line going into that building, but they are charged for each individual unit, the same as you are being billed for. Chairman Parry said we could have said, there will be no tapping fee and charge each EDU, \$150 per quarter for debt service. All of the tapping fee money and the debt service money go toward the debt, period. Ron said if we go by the way Mr. Beiler wants us to do it, we would have to raise the tapping fee up to \$2,000 for each connection to make up the difference. Mr. Beiler then asked if he is correct is assuming when a new unit would be added on to a building, the fee will then be higher than the \$1,000? Chairman Parry said that is correct. The \$1,000 is a special fee for the project only. Sol Wolf indicated that all of the development that is panned right now would be paying \$2,000 per EDU to connect to the water lines. Scott said he understands that his issue is not about the cost of the EDU, rather the number of EDUs that was assigned to his property. He reminded everyone at the meeting that the current state standard for tapping fees for water laterals is anywhere between \$2,500 and \$3,000. He can say of the municipalities that he is familiar with; this is the only one that has offered a payment term to the residents.

Chris Beiler – 1625 North 8th Avenue(cont'd)

He feels that the \$1,000 and the 3-year payback schedule is an exceptional offer on behalf of the Authority. Chairman Parry said he doesn't really know what to say to Mr. Beiler because he understands we could all be in the same situation. Mr. Beiler asked if he has any avenues to investigate? Chairman Parry said he guesses he could go on up the line to the Board of Supervisors to plead his case. Sol Wolf said they don't make that determination of the tapping fees, only the mandatory connection ordinances. The Authority has to look at everybody else, because this whole program was designed to be fair to everybody to pay a portion of the total construction cost. If there are 500 EDUs in this project, then that is \$500,000 that will be used towards the construction cost. The cost of the total project was \$2,300,000, so you can see that this tapping fee is just paying a portion of the cost of the lines. It is not paying to put that one lateral in there, but for the entire project. If we make an exception for Mr. Beiler, it will mushroom down and will affect every mobile home park and apartment complex in the Township. If you take those out of the picture then the only way to recoup those fees is to raise the fees to everyone else on the project. Is that fair? It would also raise the debt service that the Authority has worked so hard to keep down. Tod mentioned that the residents can feel lucky that the Authority looked ahead to all of the future developing and will be charging them more than the project fees. If they would have not done that, the tapping fees would be a lot higher than the \$1,000. Mr. Beiler then asked if there is any possibility that the \$47 debt service fee would be coming down? Chairman Parry said if history is an indicator, then it is possible. With the sewer debt service, it has come down when the rates have come down. Sol Wolf said the debt service is like a mortgage. If you have more people paying debt service, then the fee itself will come down. Chairman Parry said that law prohibits us from re-doing a bond issue except every 5 years. Even if we saw that we could reduce the payment now, we would not be able to take advantage of that lower rate because of the law. Sol Wolf said it is actually an agreement with the bondholders; because they don't want to buy the bonds and then 2 years later, pay the bonds off. Mr. Beiler asked if there is any guarantee that they would not refinance like they did before, going from 2% to 4% to include all of the customers under the same bond? Chairman Parry said he doesn't know where he got that information, but it is not correct. We never had a bond at 2% in the first place, and secondly, they would never have re-financed it at a higher rate. Sol Wolf said the rates were always higher and re-financed down to a lower rate. Sol Wolf said there could have been a series of bonds sold at different call dates. For example, a bunch of people bought bonds and were going to be paid back in 5 years. Those might have a 2% interest. The longer you are going out, the commitment terms of financing are usually 20-25 year terms and some of these bonds are sold for 30 years. If they are buying a bond for 30 years, they are not going to take 2%, rather 5-6% on 30 years. The Authority has never had a fixed rate for the entire loan period at 2-3%; the lowest we have ever gotten was this one at 3.7%. The Authority has always tried to do two things. Number one, keep the tapping fee low enough for the original homeowners and people that have existing units along the project route, and

Chris Beiler – 1625 North 8th Avenue(cont'd)

number two; allow them to pay this off over a period of 3 years without interest being charged. The Authority has made a commitment that if someone has a financial hardship, they are willing to go past the three years and extend it to what the person can afford.

At this time, Mr. McMichael said concerning the water situation and the water being forced on the residents. Why wasn't this taken into consideration that most of the water in the project area is good. He wanted to know why the housing developments that are coming in do not have to pay these fees that the homeowners do? Let the homeowners keep their good wells. It should all be going to these developers. Chairman Parry said the developers are paying and are paying twice what the regular homeowners are paying. Plus they are paying to put the lines in their own developments, not us. Mr. McMichael said that is good, but then they should have to pay to get it to their developments. Chairman Parry said we do what we can do, but there are certain things that we cannot do. Mr. McMichael said, well then someone is not doing something right. Chairman Parry said he would beg to differ with him, but we are not going to discuss that issue here. He said we are very comfortable with what we have done, the way we have done it, and he knows that there are **some** people that are not comfortable with the way things are going. Mr. McMichael said, not some, most people are not happy with it. Parry said they remain to be comfortable with their decisions and will remain comfortable with their decision. Mr. McMichael said, yeah right, you sit up here and deal out the rules and make the people pay. Parry said they would remain to stand by their decisions up to this point. McMichael said your decisions were not right, that is why you are going to stand by them. Sol Wolf said there are several members of the Authority that are in the project as well as the people here this evening. McMichael said he knows that, but it is probably something they don't need either. Parry said any day of the week he wants to walk down the street to Parry's house and see the water filters, he is more than welcome to do so. McMichael said, that's your problem; most of the people don't need it. Chairman Parry told the group that if any of them have an exception to what we have done, may feel free to do so in any other venue, but we are obviously going to stand by our statements here. So far, no one has chosen to do so. Someone in the public said, but you only have 30 days to challenge an ordinance, most people do not know that. Chairman Parry said we already mentioned several times that we do not do the ordinances. This individual said he begs to differ. You, Chairman Parry have proposed this to the Board of Supervisors, because your name went along with it. Parry said we started discussing project 4 years ago; there were no secrets about it. The meetings were held in an empty room, no minutes were ever read, to people that never called and asked a question about anything. We are an open meeting, a public body, if people choose not to be here or to not be informed as to what is going on in their community, then there is nothing we can do about it. Mr. McMichael insisted that there were secrets concerning a lot of things that the Board discussed. Parry said there were never any secrets about anything and further more, we will end this discussion

Chris Beiler – 1625 North 8th Avenue(cont'd)

right here, right now and if anybody wants to take exception to anything that this Board has done, they may feel free to do so. After 45 minutes of this discussion, Chairman Parry asked for the next item for business.

At this time, Mr. Donald Haag of 2025 Weavertown Road said the Board is going to wish they never pulled this crap on the residents when it comes to the next election. Parry again said, that is enough, on with other business. Mr. Haag said, yes, that's all for you. Wait until you get knocked off your high and mighty throne. At that time, several audience members left the meeting immediately in an agitated state.

SOLICITORS REPORT

Water Extension Project

First, Sol Wolf asked if anyone else had any other questions or comments about the water project before they move on to his report. There were no other comments made. As we were talking about, we have other additional possible connections that we had discussed. With each development as they come along and ask for sewer capacity and water capacity, we have entered into agreements with them, so that we are protected. What we have done with the developers, they have 5 years to pay all of the tapping fees, but they have to bond the fees. So whether or not they have sold out the lots, they have to pay all of the tapping fees in five years, whether or not the lot or house is sold or even built. We have some new ones that we need to discuss. One of these is Piazza's development. Attorney Feather was here at the last meeting and it was planned that the Mobile Home Park would become part of this project. He now has the information to go ahead and add his additional 22 units to the park. So Sol Wolf has prepared a draft of the agreement for this addition, which will include the entire 62 units or total number of units in the park for the water connection for the tapping fee. His additional 22 units will also include the sewer connections as well. He then handed out this draft to the Authority members for their review. There is one issue that Sheila and he are not sure on. Another area where we are going to have a development is on Harlan Bross' tract. We have granted them water and sewer capacity. The water line will be extended for them to connect on to, but now we have to do the agreement. At one time, down 8th Avenue, the Authority was assessing \$800 for the Special Purpose Tapping Fee for the restrictions in the line, as you get closer to Rt. 422 down Narrows Drive. We also had discussed if we had a lot of growth, we may have to put in another pump station as well. At any rate, we set an \$800 Special Purpose Tapping Fee for that and started collecting it. Scott has reported last month, with the new computation that has been determined by DEP of re-calculating how many gallons equals an EDU, that number is going down, instead of going up. SO that number is going down to 220 gallons per EDU per day. Scott said it is actually, 90 gallons per day, per capita. What they have the option of doing, is to determine

Water Extension Project(cont'd)

how we want the average capita per home to be established. You can use the actual Township census data, or you can use the County data or the State data. Sol Wolf said the numbers are going to end up going down from what it was before, because the per capita is going up. The City's calculation is 220 gallons per EDU per day. Sol Wolf and Sheila talked last month about this and they are not sure if there was a decision or not, but they are concerned about continuing to collect this money because if you don't do anything with this money within 7 years when they signed this resolution, then you have to return it to those that paid it. Sol Wolf said if something is not done soon, this would become an administrative nightmare. So if we are going to collect the \$800 from the Mobile Home Park and the Harlan Bross lots, then we have to use it towards the upgrade and put it into agreements. As they are coming in to pick up their permits, we have to collect it. But then Sheila has to keep it. If it is not used within the 5 years, then it has to be turned back to the one the paid it, then pay an Auditor to audit it and it will become a complete nightmare, which doesn't make any sense. Sheila said when they first looked at doing this, it was before they had changed a lot of this stuff around and we thought we would have a reserve to put aside, should we get to this point. We didn't know that there was going to be timeline limitations on it. Now we are there and we do have the limitations. We have two spots where we have the most restricted zones and we have calculated the current EDUs that we know of and we are not anywhere near those numbers. Sol Wolf said if you are going to increase the size or improve it, then it is going to be expensive. Scott said Jeff had sent the Authority a memo back in December of 2001 and there are actually 2 drainage basins that drain into the area. The drainage basin off of Narrows Drive, which includes the Harlan Bross tract, would service 150 lots. But then you have drainage basin 9, which is to the east, the flows come in along a specific line and anything outside of this would go into drainage basin 2. Sol Wolf said most of this area is zoned agricultural, which they feel the Supervisors would not be favorable in changing the zoning of this area. Scott said he feels that Jeff made the assumption that if this were ever changed; he planned ahead to be able to service the area. Chairman Parry said, what you are saying is, we have already collected some money and the clock is ticking on us. Sheila said at this point we have collected from 2 people, so we know who they are. Parry said he is assuming that the likely hood that we would use that money is not very high. Sol Wolf said if we were ever to use this money that has been stipulated by the resolution, it would be a very large amount, by a very large development. Parry asked who has paid this money? Sheila said, June Gingrich and Tri Valley. Parry said he thinks the simplest thing to do would be to give the money back and get it over with. Sol Wolf said we are at the point now that we feel nothing would be done before 2007. He also said the most likely area to be developed, would be east of George Christianson's' land and east of the chicken plant. If someone does come forward and ask if we have sewer capacity, we would have to ask for how many? If they say for 100 Edus, we say no, unless you want to pay the \$400,000 to correct the restriction in the line. Sheila said in order to pay for the correction to the restriction; we would have to collect from

Water Extension Project(cont'd)

534 different people. Parry asked the money is on deposit? Sheila said it is just in our Capital Reserve account and it would just amount to cutting a check and refunding the individuals that paid in. So Wolf said we would need a motion to authorize the refund of that money and eliminating the Special Purpose Tapping Fee that is in place currently for that area. Parry asked if we have to eliminate the fee totally? Sol Wolf said if we don't want to collect it, we have to eliminate it; otherwise we have to collect the fee because the resolution is in effect. Sol Wolf then said that a motion could amend the resolution for the Tapping Fee.

MOTION: Motion was made and second to amend the resolution for the Special Purpose Tapping Fee III to refund the two fees that we have collected to this date and to eliminate the Special Purpose Tapping Fee as it now exists. Motion approved.

Tod asked Scott if we have a 6" line and we have a 200-acre plot, could that be developed. If this line would have to be replaced, would it be replaced to a larger line for future development or would the larger line affect the current flow? Sol Wolf said it would have to connect into something smaller. Scott asked him if he is asking, could you over size a line for immediate use? Scott said yes, you could. When your sewers are flowing, you are not always getting the required velocity through the line. During the night, of course, the flow is not as heavy, but then during the day, it picks up and forces the solids through the line every so often. Again, yes, it is possible to over size the line and cause problems with a large line. Tod said his reason for the question is, if we ever see something come along and the line is a clay line, do we make the individual that is putting in 4 homes pay for a line that is 2 miles long? Scott said according to State regs, the minimum would be 8". At 8" and at minimum slope, you are looking at 450,000 gallons per day flow. You would be looking at about 2,000 EDUs for something like that.

Next, Sol Wolf wanted to discuss the Mt. Lebanon Camp meeting Grounds. If you will remember, the Authority and the Township have been working with them for a long period of time concerning sewer and their different on lot sewer problems. In the process of that, we asked them if they were sure they did not want the water line run to the grounds. They said no, they don't want it. We finally ended up having an agreement, most of it, related to the Township, not the Authority. Now, what he understands is they want to connect to the water system. So now we have to have an agreement with them. The one thing he is concerned about is not being left holding the bag, with them like we did with the other agreement where the Township and Authority ended up paying about \$1,800 total, which was split, for us to waste all that time and not doing anything. Tod suggested getting the money up front. Sol Wolf said that is exactly right. We need to know exactly what it is going to cost to put it in. Parry asked if we have something in writing from them saying they want water to their location? Scott said he has the answer to that. He said that he spoke to Clyde Deck of the Camp meeting Grounds and he told Mr. Deck that the

Water Extension Project(cont'd)

water line was just about done. To make a long story short, they met out on the site, did some investigating and they actually have a sewer easement that goes from the Camp meeting property through a couple of lots on Woodridge Court. That line is probably owned by the Camp meeting Association all the way into the right-of-way in Woodridge Court. Clyde Deck then asked if they could supply a water line to the property? Scott told him that they could work with them, but we would charge them for the "T" in the line, plus they would have to pay for the valve and the work involved. He told them what they risk by hooking up is we would not pay for that connection for them. He would be more concerned with where to put the meter pit on the property. Typically the City requires that the meter pit be put in right off the public right-of-way. To get back to the property, he has to go back 130' off of Woodridge Court. We ran this past the Board and they said before we go too far with this project, what is the City's' position on this? Jon Beers said the meter pit would be required to be right off of Woodridge Court in the front yard. Scott then called Clyde Deck and told him what the City 's response was. He told him that his advice would be to contact the their Solicitor and find out, if in fact, they can use that easement for water. We are all in agreement here that we would never recommend that the Authority take the dedication of that sewer line with a water line and a meter pit in there, because it would be too hard to work in there and access the lines. We told them that they have to understand that the Authority would most likely never take dedication of your lines if you were to put the water lines in along with public sewer. Mr. Deck checked with their attorney and he believes that the meter pit could be put in the 20' easement. Scott again made it clear to Mr. Deck that the Authority would not be involved in talking to the homeowners on Woodridge Court about putting a meter pit in their front yard. They would have to do the legwork on that one. Sol Wolf said the thing he is concerned about is the fact that they probably think they will not be paying any tapping fees or paying debt service. So before we go one more step on this, we need to make sure they are aware of all of the fees they will be paying. We need to treat everyone the same and he doesn't want to go down this road and when it is time for them to hook on, they are not paying any of the fees that everyone else has to. If they want service they have to sign an agreement now to pay the tapping fee just as the other developers are paying. This would mean putting their own lines in within the Camp meeting grounds, just as the Mobile Home Parks are. They would be a bulk customer as the mobile home parks are. Scott wanted to mention one more thing, after talking to Clyde, the Camp meeting Association has not made a decision as a Board, and this is just Mr. Deck speaking. He is saying he would foot the bill for the line. Chairman Parry said Mr. Deck has to understand that we will not do anything until we have a signed agreement with the Camp meeting Association stating they will pay the tapping fee and the debt service. Until then, nothing will be done. Scott said he is concerned because he has to tell Marks Construction yes or no about this situation by Monday or Tuesday of next week. Sol Wolf said he will give Scott a copy of the drafted agreement and he can give it to Clyde to have him sign. If he signs it, then we tell Marks to do the work, if not, we don't do the work.

Water Extension Project(cont'd)

Sheila warned to make sure that the agreement states he pays the tapping fees upon the signing of the agreement. Sol Wolf said he doesn't think the Board is going to want to do this, so why waste our time and money? Scott said he would rather that the agreement comes from Sol Wolf rather than himself since it is a legal document. Sol Wolf said that is no problem. We will leave the agreement with Sheila and Scott shall tell him that the only way the Authority will consider him connecting, is if they pay the tapping fee and their part of the project and also pay the debt service after connecting to the line. The end date for picking up the agreement and having it signed is Tuesday of next week. Another thing that has Sol Wolf concerned is he doesn't even know if they are planning on connecting all of the cottages or just some of them. Scott said he doesn't not want to set us up for a delay with Marks and have to pay extra on the contract. He doesn't care what the Authority wants to do, but we don't want to pay extra. Basically, Mr. Deck has 5 days to get a Board meeting together and have the agreement signed, and it probably will not happen. Scott said he would call Mr. Deck and tell him to stop by the Township Office and pick up the agreement with Sheila. Parry said not to forget to give him the cut off date for the agreement as the close of business on Tuesday.

Harlan Bross Agreement

Sol Wolf said we are doing a draft of an agreement for the Harlan Bross tract off of Narrows Drive and developed by Landmark Builders. That agreement will be pretty much the same as Briar Lake. They will not be going into the 8th Avenue Pump Station, rather they will be going down to Rt. 422 through South Lebanon lines. Parry asked, what about the water lines for them? Doesn't the water line end at the Union Canal Elementary School? Sol Wolf said we are to be putting an extension on for them as part of this project from where it is now to the end of their property. The City does not want them connected onto their line.

Spring Creek Development (Babe/Plasterer Tract)

This one is not far enough along to know exactly who is doing what. But he and Sheila want to get the agreements drafted so that we are ready to go when they are.

Mavin Fulk Property

This is the gentleman we have talked about several times at the top of the hill on North 8th Avenue. He needs a right-of-way to get water and sewer service to the home he wants to build. Someone told Sol Wolf that he was not able to get the right-of-way, so he talked to Fulks' attorney that he is getting it. Scott said as of Monday he did not have the right-of-way. Sol Wolf said the response he got from someone on our end, is that the person that he needs the right-of-way from, is not going to give it to him, so he called Fulks attorney and he has not heard anything

Mavin Fulk Property(cont'd)

about not getting it, but he would call him and find out. He called Wolf back and said there is no problem and the agreement will be signed. Sol Wolf asked if this is a situation where we need to do something with the water or have we done it? Parry said it would be the same thing as with the Camp meeting, wouldn't it? Scott said every time he has talked to Mavin, he has referred him to his consultant, Scott Carpenter. So Scott told Carpenter last Friday, he has this week to get the re-bar and if not, we may not be able to wait for him. Marks has already been up that way and restored the properties. We can go back and make the tap, but he told Carpenter we couldn't wait forever on them. Either it will be resolved or it won't. If we have to go back after the fact then it is going to cost them more to have it done. We do what we can, but we cannot drag our feet on this project.

Kreiser – Richard Drive

Sol Wolf asked Sheila if we have received anything from the Kreisers'? She said not to this date, she hasn't heard from them. Sol Wolf explained that this is the property that has sewer service on Richard Drive, but is too far from the water line for us to extend it down further. He would have to run it from his house out to where we are ending the water service line. He has a plumber and we told him to get in contact with Scott to get all of the information needed. But nothing has been received from him either. He feels he is going to do it, but his plumber has not had the chance to do it yet. Scott said personally he thinks we need to establish cut off dates, because when he gets into his report, now that the Phase I letters have been out, people could start connecting. This would mean that the cut off is here, after the letters are put and people are connecting, the fee is now \$2,000 for the tapping fee. There is no more \$1,000 tapping fees. Scott said he is referring to the Fulks, etc, where there are agreements and outstanding projects. Chairman Parry said Mr. Kreiser has been messing around with this thing and really has not done anything with it. We have nothing to react to with this. Scott said he would like to tell him that here is your date, if you are not ready by this date, then it is too late. Sol Wolf said it is not going to matter if in 3 months this gentleman comes back and says he has the right-of-way agreement and says he wants the connection (Fulk) for the proposed house. Parry said then that is then, right now we have nothing to react to. If and when he is ready then we have someone come in and put the lateral in for him and charge him for it, he pays, we don't. With Kreiser, his own plumber would make the connection to our line, we would not? Scott said that is correct. So with Kreiser a date is not important, we have done what we can, it is up to his plumber and himself. With Fulk, it has to be done by a certain date or you will be at the mercy of whomever we can get and whenever we can get them and it will cost him more money. Scott then asked, what is the date they are referring to? Chairman Parry said as far as he is concerned, that date has past when the letters went out last Friday. The Notice to Connect letter for Phase I went out last Friday and he would be part of Phase I, so his time is past. As we have established previously, the drop-dead date had been when the letters for that

Kreiser – Richard Drive(cont'd)

particular phase went out. The same thing will hold true for the Camp meeting Grounds. It is in Phase III and when those letters go out, they are basically out of the project. Scott said is he being told then that he shall tell Fulk that he is out of the project? Sol Wolf said we should let it up to Scott to make the determination, since he is working with the contractor. If it is beyond that time that they set, then he can still do it, but he will have to come here and make an application and pay the current tapping fee and additional costs. Scott did say that there is a punch list for the area and one of those items is the lateral for Fulk. Sol Wolf said the important thing is that we see the signed right-of-way agreement before anything is done on this property.

Tim Gingrich – East Maple Street

Chairman Parry said this is another one, where if he doesn't get off dead center, then we have to push him. Scott said this one took a step back today. The intent of the line was to have it in the public right-of-way, that way we could avoid the meter pit because then the line would be dedicated to the City. Scott ran this by the City last month and said we were looking at two options with Mr. Gingrich. The one is to work with Mr. Gingrich, put the line in, on his property, put the meter pit in. The second option was to have Marks do it and make it a dedicated line. Would the City take dedication of this line if this is what we were to do? The City said they really would not want to do that, but they would, if need be. Scott said he thought before we go ahead and tell Marks to put it in, better make sure this is the City's' intent. Because if not, we need the meter pit. Parry said, so the answer is yes, they will? Scott said, no, the answer is no, they will not take dedication of the line. He received the e-mail this morning. So now we are back to having Gingrich put it in, with a meter pit down at the bottom of the hill on his property and come through his driveway. Scott said he thinks we now have to put it in writing what we are going to do. Gingrich is balking at doing the entire thing, so we need to move forward. Tod said he thinks it is time to set a parameter and say this is it. It is going to be done and done this way. If he doesn't want to get a price, then we will get one for him. Scott said he did put a call in for Jon Beers today to see if he can talk to him about it some more, maybe they will change their minds. Parry said he would like to know what changed his mind originally. Scott said that is what he wants to find out. Whatever the reasoning is, Sol Wolf said this is time sensitive as well. If Jon Beers says OK, do it, we will accept it, then we would have Marks do it. What if when he gets the notice to connect, he comes back and says he doesn't have the money to connect, then what do we do? Parry said then we will address that, but we need to move ahead with this. Sol Wolf said he feels we need to address it now with these other issues. We need to tell him, we will do this and get the service there, here is the agreement you have to sign. When we get it there, on 90 days you have to be connected. Otherwise, what is the sense of spending all of this money, if he is not going to plan on connecting? Tod said he agrees, we gave him enough options, the line is right in front of his house that he doesn't want to

Tim Gingrich – East Maple Street(cont'd)

connect into to, what else can we do for him? We are trying to accommodate him and spending the money to do it. He can hook on; he just doesn't want to do it in the front of his house. Tod again said, there is plenty of financial assistance out there to help in this type of situation for him to take advantage of. Sol Wolf said he thinks it is more that he just doesn't want to hook up than anything else. Member Ensminger asked, if he does not want to cooperate with us, why are we going the extra mile and extra expenses for him? He feels we should leave it where it is and that is it. Sheila said she did send his notice to connect packet out and he is one of the ones that has not picked it up at the Post Office. Sol Wolf said before we waste any more time on this he has to sign an agreement saying if the line is provided for him, he will hook up within 90 days as everyone else must do. Scott asked whom he should contact about the agreement? Sol Wolf said he could call the Township Office and ask for it. We will not make up the agreement until he says he is ready for it, we are not going to the time and expense if he is not planning on signing it. Scott asked if he signs the agreement, should he just go ahead and have the line put in? Chairman Parry said yes, do it. On the other hand, Scott said he does have some positive news. The Williamson issue has been resolved. This is the situation on Grant Street that said he would not hook up and would not allow any construction equipment on his property. Scott said he went out to talk to him and he was very cordial and very receptive. He is allowing the Authority to put the line in and he will hook up to it.

8th Avenue Pump station

Initially, we were going to collect some of the money from Briar Lake and will be paying in tapping fees, then doing the upgrade to the station next year. Also, we are going to need some money until we collect the tapping fees for the water project. So we have talked before about getting a line of credit from Lebanon Valley Farmers Bank for those expenses and have a line of credit for \$700,000. They have given Sol Wolf a letter of commitment on it. That would be at 3.52% interest for 7 years and then we would be expected to pay everything off within that time period. If that loan would be written in such a way so that it is a 15-year term and would adjust with the interest rate after that we can pay the loan back any way we would want to without penalty. We borrowed \$2,300,000, which is what the bond issue is for, but we have other project costs, so, between that and the pump station, we want to have a line of credit available, so we are not scrambling around at the last minute. As he has said previously, the bank has made a commitment to this and now we have to decide if we want to accept the terms of that commitment. Then that puts it in place, and then when we see we need the money, there are no more documents that have to be signed. The interest rate will remain the same for the term of the commitment. Tod asked Sol Wolf how he arrived at the figure of \$700,000 for the line of credit? Sol Wolf said it was the amount that would cover the cost of the upgrade plus additional expenses of the

8th Avenue Pumpstation(cont'd)

water project. It is not a loan, rather a letter of credit that is available to us to use. Plus you have to take into account that there will be money coming in from Briar Lake in the amount of \$210,000 once we start the project and the various tapping fees that will be paid once the development starts. There are 109 lots that are going to be built at \$3,000 tapping fee for each lot. So, from Briar Lake alone, we are going to be collecting \$500,000. That does not include the Babe Property and the Plasterer property. So we will be able to cover the cost of the upgrade to the station and the land that was acquired for the station. Since the developer has to have to bond to cover the tapping fees for the developer, even if he does not build within the 5-year time period, we are guaranteed the tapping fee money and since we have 7 years to repay the bank, we are OK. As far as capacity is concerned, we have about 100 EDUs capacity left in the existing station and the first phase has about 40 EDUS, so we are OK capacity at the moment. Tod said his thought is, why do we want to go loan the money, when we have the money in the first place? Member Switzer Pierce said because you don't pay the money back unless you use it. It is there if we need it. Sol Wolf said part of what we are looking at is probably reserve funds that we have made a commitment to keep in reserve. Tod then asked what NW Municipal Account is and what the money can be used for? Sol Wolf said in total funds, we have about \$3,000,000. At least \$1,500,000 is in reserve for agreements with the Township for the maintenance of the system, because part of that comes from the Township when they turned over the system from the Township to the Authority. You can use that money if you want to. Tod said if you have a line of credit for \$700,000 for 7 years, what are they going to charge, especially if we don't need the entire \$700,000? Sol Wolf said you are only charged interest on what you use. They are not charging us anything for setting this money aside for us to use. If we don't touch it, we are not charged anything. We will be charged quarterly for the interest based on what the unpaid balance was. If during the quarter it was higher and you made a lump sum payment and brought it down, they calculate it every day based on the unpaid balance and charge the interest quarterly. Chairman Parry asked how long the commitment is for this line of credit? Sol Wolf said it is a 60-day commitment. So otherwise, if we mull this over until the next meeting, we would still have 30 days to make the commitment. Sol Wolf said let's say we take the line of credit and don't want to use it, you don't have to use it. If you use \$300,000 of it and later you decide, we would rather use our own \$300,000, you can go in and pay it off. Next year at this time, you have \$700,000 there and the interest rate goes up to 5%, then we have a fixed rate of 3.52% that cannot be changed. If you use your own funds and the interest rates go high, then this is there for you to draw on. Parry said we can make a decision this evening or we can wait until the next meeting. What would the Board like to do? Tod asked if anyone else has an opinion on this or is he the only one that doesn't understand this? Ron said he makes a motion that we do this, so he imagines we have his opinion on the matter.

8th Avenue Pumpstation(cont'd)

MOTION: Motion was made and second to approve the line of credit in the amount of \$700,000 with the Lebanon Valley Farmers Bank with all attached requirements. Motion approved with one negative vote.

Bell Atlantic Case

Sol Wolf wanted to let the Board know that we did indeed receive the settlement from Bell Atlantic for Grace Avenue several years ago.

ENGINEERS REPORT

Water Extension – 7th Street

Things are continuing to move along in this area. He went to show them on the project map what areas are complete as far as the water mains are concerned. The exception to this is the 7th Street area. All of the lines have been tested with the exception of Woodridge Court and of course, 7th Street. The service lines in Phases I and II are complete with the exception of the "stragglers" we talked about earlier. As of now, with the pay requests this evening, he is projecting that we are going to be in Marks' contract, \$120,000 over budget. That does not include money that will be given back to us for service connections for vacant lots. All of the vacant lots that have been requested have gone Marks' to be put in, so when we are done getting the money for the service lines for Briar Lake, Orchard View, the Harlan Bross tract, and Spring Creek, we are looking at getting back about \$20-25,000. This brings the overage down to \$90-95,000. Where we have lost is the additional stone back fill that we had to put in along all of the PennDot roads. We had banked that we could put some dirt backfill in, but the State required full stone backfill on all PennDOT roads. We also had the conflicts on Josephine Ann Drive where all of the One Calls were not done and we had to re-route the line somewhat. We had to put in a couple of hundred feet of line in on either Hess or Solar Drive that we had not anticipated in the design phase of the project. Also, on Woodridge Court we had to move the line into the street because of One Call problems. Chairman Parry said that is something we have to continue doing. We did a lot of things to accommodate a public entity, things that someone did not do that is required by law, PA One Call and if we do the right thing, and they did not respond, then the responsibility lies totally on them, not us. Scott said where we run into problems is when they refuse to come out during the design phase. Tod said he went back after the last meeting and printed off the requirements of PA One Call. They have it in there that you had better do what they are telling you to do. They also talk about the Board of Directors as well and his thought would be to pursue this just as we did with the GLRA. If we continually contact them and keep our records straight, he feels we will get somewhere. Most likely, the Board of Directors has no idea what is going on with the One Calls. We need to get **their** attention, not just the One Call system themselves. This is something that is mandated by law and justified by fines

Water Extension – 7th Street(cont'd)

up to \$25,000, yet nothing is being done to enforce their own laws. Something must be done, now. We need to copy everyone from the Governor on down if we have to. Tod said we don't want one of our guys getting hurt or killed because of someone else's' stupidity or laziness. The whole program is promoting safety, which is not being done. Scott added if the rules were followed in the design phase of the project, the lines would not have had to be moved in the middle of the project. He said he thinks that the numbers he is using are conservative in that there are some potential for some breaks. On Maple Street, he is still projecting that we will have to pave that shoulder. It appears that this may not be the case, but in order to put closure on the matter, he sent a letter to PennDot that our understanding is that stone backfill out there is fine and that we don't have to do any paving. If this is not correct, they have to let him know in the next couple of days because we are trying to close out Phase I of the project. They responded by saying this is not necessarily true, they are going to widen the shoulder of Maple Street, but all they are going to do is take a 4' milling machine and put it on the center line at the end of the paving and take a 4' swatch and mill it. Our line is in the shoulder and that means that 2' of that milling and paving is in the shoulder. Our water main is about 2' off that white line, which means that they would be paving where we would have to. Scott asked PennDot if we could use their inspector to resolve this? They said that they could not make that decision until they walk the route. So they are meeting with PennDot on Tuesday to walk the route and make the decision and put it to rest. Sol Wolf then asked if this is included in the dollar amount that he gave earlier in his presentation? Scott said the \$120,000 includes paving 4' into the shoulder. Hopefully, we will not have to pave with the exception of the cross roads, like Joffre and Grant and any driveways that are in there. The other area is Mt. Zion Road. The edge looks like it was done quite good and he is hoping that we can get away without paving this area as well. His projections include paving this area as well. We could get some good breaks here. Another area where we are assuming that we will not have to pave is Narrows Drive and Orchard View. Sol Wolf asked about the moles that were lost on Maple Street? Have they been recovered? Scott said they have been retrieved. Initially, they got a supplement for those two lines and low and behold they were able to bore all the other service lines. Sol Wolf asked if we incurred any additional costs due to this? Scott told Marks that we would not be paying any restoration costs for those service lines. Marks had to open cut the road to retrieve the two moles that were lost and we are not going to pay for the restorations for those open cuts. Scott said project cost wise, he thinks we are going to be OK because we are on line. He also thinks we are going to come in about \$30,000 under budget when the whole thing is done. So this money can be swung over to the overruns of the constructions costs. The bottom line is when jobs run this fast, the engineering fees are going to be lower because we are not getting bogged down with other things. So the fact that it ran this fast benefits everyone.

Water Extension – 7th Street(cont'd)

Scott said we do have a pay request from Marks this month and our inspectors have agreed with the quantities requested. In typing up the final invoice, Marks made a typo that changes the request by 2 cents. So the request is for \$484,212.00, which leaves an unpaid balance of \$420,530.67 to complete the project, which is based on the original bid price and no overruns. Sol Wolf asked if he has requested his retain age reduced to 5%? Scott said yes he has.

The only other thing that he wants to discuss this evening is the 7th Street area. He said the reason that this has not been done yet, is because there was some confusion with the City as to how far away from the sewer lines they required the water lines to be. He contacted the City and told them they never made any comments after seeing the plans and this is the last chance to make the changes. We want to make sure that they are OK with the location of the line. They said they were and we could go ahead with the line. Scott told them the reason that we were not going on the west side of 7th Street is because there is a large gas transmission on that side and they want to avoid this as much as possible. It is much easier to battle the sewer line than a gas line. Scott said on the drawings we are showing the water main going between the sewer line and the edge of the public right-of-way, only about 4' off the right-of-way going back into peoples yards. Parts of this area are steep banks. Marks have indicated a concern that when they start digging the lines on the bank areas, and the trenches being very deep, the trenches could cave in because of the pressure. He is thinking he may have to peel the bank back and open it up so he can get in there and do it safely. If this happens, he will be in people's yards and he would feel comfortable if there would be some construction easements in place prior to this occurring. This would be one option and would affect only 5 properties. The other option would be to move the line out into the paved area, the white line on the street, where the steep banks are. Then when we get down to the Township properties where the salt shed is, feather back onto the Township property right behind the public right-of-way line and then we are all dirt backfill. Now we have taken away stone backfill that was previously accounted for and made it dirt backfill which is about \$10 a foot difference. Parry asked how this would affect the occupancy permits with PennDot? Scott said they would make us go back for a supplement to the original permit. But they tend to turn the supplement over pretty fast and he would assume having the supplement in about 2 weeks. He said he ran some numbers through to see what we are talking about if they were to change this portion of the project. If we were to get away with just a trench restoration, a little less than 5' paving, the difference would be in the paved shoulder versus a paved road sort of thing. A paved road becomes more expensive because you have different thick nesses and different bases, plus traffic control becomes an issue as well. If we can do this, we are looking at a \$10,000 add on. But the unknown is, with PennDot, as soon as you touch the paved roadway, you are doing an overlay of the entire lane all the way out to the center line of the road which means you have to mill it and overlay it. This is a 500' stretch of roadway that comes in question. If it has to be overlaid, it is about another \$10,000, for a

Water Extension – 7th Street(cont'd)

total of a \$20,000 add on. He asked PennDot to give us a verbal, are they going to make us do it or not, and they wouldn't give us an answer. Sol Wolf asked if we could go over on some of the other properties and stay out of the road? Scott said yes if we get the right-of-ways. But then you are talking about a stonewall that would have to be trenched through on one of the lots. Wolf then asked if all of these lots will be hooking up to the water or are they already hooked up through the City? Scott said they would all be hooking up through the project. Sol Wolf said he thinks it would be worthwhile talking to them about a right-of-way. Scott said there is new procedure that is used for water mains of this size that is called directional drilling. Depending on the company they can go up to 1,000'. The cost he would venture to guess would be more expensive, about \$150 per foot. It is great where there are areas with no rock. If we get the line on the Township property and out of the PennDot right-of-way, we would be looking at about a \$14,000 deduct, so it almost becomes a wash. Sol Wolf asked what the worse case scenario would be if the State makes us go and re-pave the whole area? Scott is thinking about \$20,000. But if we take the \$14,000 deduct in the other area, then we are out about \$6,000. His question is, is the \$6,000 worth trying to work with these people trying to get right-of-ways? Sol Wolf said he thinks it is a shot talking to these people because we have to pay them something for the right-of-way, plus it will get the lateral closer to their house. It is only the banked areas that come into question. Scott suggested making this area of the project Phase IV, as Marks is so far ahead of schedule. He did run this by the City to make sure that it was OK with them and they were in agreement that it would be OK. The only person that would be affected by the water line put where it will be is Mike, if he would ever have to dig up the sewer line. Scott said if we take Fred's suggestion and get the right-of-ways, then there is a benefit to the Authority. Parry asked Scott if he has a recommendation to the Board on this? Scott said he would ask for the right-of-way from the 4 homeowners involved, it certainly couldn't hurt. Parry then asked the rest of the Board their opinion. They all said it is worth the try. Scott said just so he is clear, who is going to approach these people? Sol Wolf said he would do that. Scott will get the names and maps of the properties so he can better explain it to the homeowners.

The only thing that Scott needs to discuss yet on the water project is a request from Marks for the Substantial completion of the first two phases since all of the water lines are in and most of the service lines. Phase II just became complete as of yesterday. They are now on the Phase III service lines on Woodridge and Oakridge Courts. Since we are now in the process of sending out the notice to connect letters, then we should take over the lines from the contractor. Sol Wolf said he thinks we should confirm with the City that this is OK to do and we need it in writing. He is sure that Marks is going to have concerns if people are going to start connecting to it before we have signed it. Are we able to say as soon as we have the letter from the City, then we can sign the letter of substantial completion? He was told yes. We are not going to sign off on any restoration until we see that it is

Water Extension – 7th Street(cont'd)

completed. The date of substantial completion is one-year contractors guarantee starts on the work. Do we date it when the City consents? The Board said this is the best way to go. Scott said what they are doing with the restoration, they are taking photos of the work and marking the addresses, so that when people are connecting and they complain, we can show them the photos and tell them this is what the property looked like before you connected. Parry said he thinks the big one will be the driveways. The only place that Scott feels we will have complaints about the driveways is on North 8th Avenue, because the water main is inside the shoulder of the road. So what we are going to have is places where the edge of the paving is pretty "hacked" up. So we will have that little apron between the edge of the road and the people's driveways and then our trench. Chairman Parry said there is one area around North 8th Avenue and Marcon Drive and Kimmerlings Road where it looks like the storm sewer pipe was crushed. Sheila said she did mention this to Ed to check into. Scott also mentioned that all of the paving that has been done so far is temporary paving and will be completed at a later date when the project is complete.

Re-Line Project

Scott said after the last meeting we had a problem with some of the coatings on the chimneys on the manholes. As it turns out, it was too cold to put the primer on. We requested that the contractor come back with a written recommendation from the factory rep and come out and inspect it and tell us what to do to restore the surface and re-apply the coating. After some fighting, we were able to get this done. Subsequent to that time, Mike decided to inspect all of the manholes, even the ones with PermForm. It appears that the caulking wasn't put on properly, maybe not at all, but the epoxy on the base is now starting to come off as well. Parry said then in other words, the re-line project has failed. They seemed to agree that it has failed. Parry said, now what can we do to protect our manholes and where do we stand with options and contractor responsibility? Scott said he talked to Swerp and requested a meeting on the jobsite because this has to be resolved. We cannot have this type of work. The products that were specked were their standard product. It was not something that we asked them to use that they normally do not do. This is their product. For whatever reason it is not working and we saw it work at other places. Scott asked if we have actually inspected other relines that they have done? It could be other systems are experiencing problems and don't know it. Parry said it goes without saying, we will not be going ahead with any further relines at this time until this one is resolved. Mike said there are none to be done that he knows of at this point. Parry asked where we stand financially at this point? Scott said we are holding over \$10,000 from them. What are they suggesting? Scott said he only suggested a meeting on site; nothing else has been done or suggested on their part. Mike said to be honest, you cannot see the problem from up top. You have to get down into the manhole and look at the seams in the wall to really see the defects. He went on to explain what happened at

Re-Line Project(cont'd)

manhole E96 at the teener field at Long Lane. They emptied the flush truck into this manhole and the epoxy floated to the top of the manhole, which then proceeded to obstruct the channel from Martin Drive. If this were to go on, it would have obstructed the channels down the line and then we have a back up. Basically, within three minutes he pulled the entire liner off the bottom. Mike said in that manhole, there is I & I pushing the manhole that was not there prior to the reline. Parry said to wait until the meetings have been held with the contractor to see what we will do to rectify the problem. Scott said realistically, we are going to have to monitor the system regularly to make sure that all of the relines are holding up, there is no getting away from it. Mike said these were new manholes that were out on the railroad bed, 28 of them, same type of a system, plastic lined done at the factory. There was an epoxy bench which is what we talked about and it was caulked in that area and he has no problem with that as of right now, that he knows of. Scott said you have to remember that we are talking about existing manholes and you have to prep the surface properly. When you have a deteriorated manhole, it is not an ideal situation.

8th Avenue Pumpstation

Scott said this is moving along well. The first thing we need to do is to get the site plan finalized, which then we can get into the design of the station. We met with Mike and Sheila and he has a plan for him to review that they had discussed. He said the design should go fairly rapidly because most of the items that were done on the first site can be carried over to this new site. Their goal is to go out to bid sometime around December or January. That way we are bidding in the timeframe that we are the first job out for bidding in the spring of 2005 for good prices. Working backwards then, we have to get our permit applications from the state somewhere in September. They do not have to be complete construction drawings. That way we would be able to start late spring and completed in late fall of 2005. Sheila asked if she could interject at this point, so we don't have to re-visit the topic. She said that she received quotes for the demolition of the buildings on the site. It would have to be bid out because it looks like it will be over \$10,000. Sheila said this was just a "guesstimate" since we are not sure if we would be doing this in house or not. Parry asked if there is an asbestos problem with this house due to the age of the home? Mike said he does not know. Parry said if it does have asbestos, it pretty much out of our hands. Half of the amount that was quoted is for landfill fess, which there is no getting away from. He then asked Mike if the contractor that gave the quote thought there was asbestos? Mike said he felt there was. Parry said then that answers that, we will not do it. He also felt we need a couple more estimates before we set a price aside to do the project. Ron asked if we could do what the Township did with the Gerberich property and burn it down? Mike said they felt it was too close in proximity to the other structures to do it safely. Plus they still have to remove the asbestos before it can be burned.

PLAN REVIEWS

Joyce Street

Scott is recommending the approval of this plan. We have the approval letter ready for this one that consists of 2 lots. The design is making the lots even and exactly

Joyce Street(cont'd)

the same size. The lots do not have any laterals, so taps will have to be made for these two. The details are on the plans; we have all looked at them and are OK with them.

MOTION: Motion was made and second to approve the Joyce Street, MDS Builders Custom Homes Final/Minor Subdivision Plans. Motion approved.

Narrows Glen (Brohnwood)

Scott said he still has some comments on the sewer design for this project and has a letter to go to them.

Leon Zimmerman Project – Maple Lane

This plan has comments to be addressed as well.

North Lebanon Industrial Park

There are some things that need to be changed on this plan as well. Sol Wolf asked if he is to be reviewing this plan yet? Sheila said the big one is OK, just not the Valspar plan. Sheila said we have already talked to another engineer and he will be looking at this for us since Scott's office is doing the job for the industrial park. She said we just looked at it so we knew what we wanted to do with it and there were some problems right off the bat. So, being the fact that Jeff did the plan, we don't want to Scott to get in trouble for something that would be a conflict of interest for him as well as us.

ASSISTANT MANAGER'S REPORT

Prior to Assistant Manager Wartluft speaking this evening, resident Chris Beiler asked to speak again concerning the ordinance mandating connection to the public water line and the tapping fees. He said in reference to the ordinance and the agreement that the project residents will be signing, he said the definition says "providing for the tapping fee to be paid by the owner of each property to be connected". The definition of improved property is as follows, "any property that is in the Township of North Lebanon upon which there is a record of a structure intended for continuous or periodic habitation." An owner is listed as "any person that has ownership, legal or equitable, sole or partial or any improved property." He

ASSISTANT MANAGER'S REPORT(cont'd)

said he thinks that refers to the owner and the property and defines that as to the terms. In the agreement it states that the owner is required to pay the Authority a tapping fee of \$1,000. He just wanted to bring this point up that he still believes that his property is one unit, it is one building and should be billed as such for the tapping fee. Chairman Parry said his point is well taken. Mr. Beiler went on to say that he sees no reference in the agreement to the EdUs that would be assessed to the homeowners and there was no reference prior to the notice to connect packet as well. The Board all concurred that there was reference made to all of the points he brought up this evening in the correspondence that mailed throughout the water project planning. Sol Wolf explained that the resolution here is not the ordinance. The ordinance is what requires the homeowner to connect; the resolution sets the cost of the fee.

Agreements – Capacity Purchases

Sheila wanted to share with the Board that she sent out letters to all of the developers that had pending plans concerning the increase in the capacity fee for the City. She has now received payment for all of the capacity for these developments. She now needs the Board to sign these capacity agreements. The new fee went into effect on May 1st.

Notice to Connect Packets

She did send out the notice to connect packets for Phase I of the water project. She sent out about 138 packets. According to her receipts, all but about 20 have not been picked up. She sent them out on Friday and had people come in already on Monday and paid for their permits. She also has some of the agreements for the installment plans to be signed as well. Chairman Parry said this brings up another point. Is any one on this side of the hall a notary or have attended Notary classes? Sheila said she is in the process, but quite honestly she has quite a bit on her plate that has to be done first and then that will be done. Her intention was to be done before the project was started, but unfortunately, it hasn't been done.

As, Scott reported earlier, she is about ready to mail Phase II of the Notice to Connect packets. The City had requested that we hold off mailing the second batch of notices, but she has not responded to their request since they knew for quite some time that this was forth coming. Contrary to what the public has been saying at our meetings, we have been having a lot of people coming into the Office asking when they will be able to connect. They are quite anxious to begin. So she would like to be able to get Phase II out the door. She has not started anything on Phase II yet. Someone asked if the City is ready for this? Parry said they have to be ready. Sheila said she is not sure what their problem is, but they are saying that they now have 400 connections to do this summer. They knew this from day one, so we are proceeding. We also need to have a conversation with Jon Beers and let him know

Notice to Connect Packets(cont'd)

where the project stands. Sheila said this is where the letter came from, Jon Beers. Parry said if he doesn't want to do it, then we will go to the next highest authority at the City. She mentioned that she and Scott have kept them in the loop with everything. She sent them copies of all correspondence, invited them to all of the meetings, she is not sure what more she could have done to keep them informed of the project. She also explained to the Board the procedure that the Office is using to inform the City of the permits being issued. She then asked permission to continue on with the notice to connect packets. Shall she continue to send them out? The Board said yes, keep sending them. Scott asked if the City asks Sheila to hold off a week or two in sending the next notices out, should she comply with their wishes or go ahead and send them out? Parry said, send them out. If the City cannot accommodate, then that is there problem. Sol Wolf asked Sheila how many people have actually come in and paid for their permit? Sheila said about 10-15 came in so far. He then asked how many notices were sent out? She said about 135.

Pertinent Matters

There were no pertinent matters this evening.

SEWER DEPARTMENT REPORT

Mike reported that the truck has finally come in. Parry asked if this is the chassis only, no body? Mike said that is correct. We were given a time line of August 24th or the 25th to put the body on the chassis. He received a call yesterday and was told it was moved up to July 16th, but will still take 4-5 weeks to install. Why does it take that long if it is one unit? Mike said he does not know. He was given many reasons, but they really didn't make any sense to him.

All the manholes that were lost were done and raised. They finished the last one just recently.

Next, Mike went on to discuss the tunnel at West Lebanon. Met-Ed hired PG Martin as a sub-contractor. They put a One Call in and put a duct bank of three conduits, basically right on top of our sewer main. We found out totally by accident on Tuesday because they went out flushing. They saw that the Water Company was there monitoring what they were doing. We were totally unaware of the construction. Parry asked if there was a One Call put through for the work? Mike said yes. Did we go out and mark the sewer line? Mike said we did. Parry then said, but they put the lines in anyway on top of our sewer line? Mike said they did. Whose right-of-way did they use? Mike said he is not sure, but it could be West Lebanon's. Mike said his fear was, was our pipe damaged by their work? Parry asked how deep our line is at that point? Mike said it is 40" to the top of the pipe on the south side of the tunnel. Parry asked if that is the shallowest point of the line? Mike said it looks like it is. He then asked Mike how deep the conduit was placed by Met

SEWER DEPARTMENT REPORT(cont'd)

Ed? Mike said it looks like about 48" according to West Lebanon personnel. By the time we got there, they were pouring the concrete on top of it. We were kept in the dark about it. Sol Wolf said we do the same thing though. If we are doing a water or sewer project, we make the PA One Call, have the utilities come out and mark their lines and if they want to know what we are doing they have to call us and find out. So, yesterday, Tim and Mike went out and climbed down into the manhole on the south side of the tunnel and could see about 60' up the line. The 60' does not get you into the trench area of the construction. So he crawled and went on the north side and could see about 20' because of the kink in the line again. The blueprints say that it is ductile iron, he doesn't know if it is, he cannot tell. Parry asked if that is not unusual to use ductile sewer line? Mike said not in such a shallow area, it is not. Sol Wolf went on to say what happened. When Frank Strack and Sterling Kleinfelter all worked on the road crew, some 30 years ago, somebody dug this open to put in a utility and when they did and the Supervisors saw it, Frank and the rest of them decided they would call Dave Fink who was a plumber at the time and had him put in a sewer line while this was open. There are all kinds of utilities in this tight spot, everything is in there. The other thing with is that we don't have a lot of flow going through there, it is mostly West Lebanon. Parry asked then why did we put a line in West Lebanon? Wolf said because when we had pump station number one coming up over the hill, all of that flow went through this line down 25th Street. When we did the interceptor line to run it around and go through this industrial park, then we had very little lines going through West Lebanon. Those of you that were around at this time will remember that we were going to run our very little bit of line into West Lebanon's since we gave them the right to go through ours at 25th Street and under the bridge. We had an agreement with them and they wanted an outrageous price to do so. We don't have a lot of flow going through this line and we have an inter-municipal agreement with them that they have to share the maintenance costs. They pay us a cost of the maintenance fee for use of the line. He told Sheila if we are going to be doing anything, we had better inform West Lebanon so they know what we are doing and helping to pay for the cost. Parry asked if we are going to be doing anything? Mike said he told her the concern and what the agreement says and that was about it. Mike said he would like to video the line, especially if we are responsible for the line. Sol Wolf said our first concern is, was there any damage done to the line when this construction was done? We need to get a price on the videotaping and then go back to Met Ed and tell them what our concerns are and that we want to verify whether or not there was any damage done. Also, explain to them that they would be responsible for the cost of the taping. Mike said he did call Met Ed and they told him that they have a department of Solicitors and he shall contact them. Sol Wolf said he knows what they are going to say. Go ahead and video the line, if there is damage we will pay for it, if not, you will pay for the video. Mike said the other part was that they told Mike they never saw any green lines on the street going through the tunnel. Mike said the lines were there, Tod saw them. Wolf asked if the area is paved yet? Mike said it is paved by now. Mike

SEWER DEPARTMENT REPORT(cont'd)

was asked how much it would cost to video the line? He said about \$1,140 for 8 hours. He was asked if they could do this in one day? Mike said they could do it in about 4 hours. Do we know how many EDUs we have going through the line as compared to West Lebanon? Mike said he could figure it out very easy. If we are expecting West Lebanon to pay a portion of this fee, then we should let them know up front a cost of the video taping prior to having it done or we will stuck paying for it all. Sheila asked if we should be getting the money up front from West Lebanon? The Board decided that this would be a good idea. Mike's real concern is that if the line breaks and we are not 100% sure what the line is made of, then we could have a real problem. Sheila said if this line were a clay pipe and they broke it, she cannot believe that within a day or two we would not have noticed something. Parry asked if PG Martin would be able to give us some information as to what he did? Mike said no one was too eager to give us information when we were out there.

Mike mentioned that they were flushing lines and did 4,724'. They then went on the other side and started working towards the mall.

Tommy is back out at Orchard View inspecting/testing and should be done sometime between tomorrow and Monday. Sol Wolf asked where we stand on Worden Alley? Mike said the grass was re-seeded and is growing. The pool needs some topsoil since a storm came through right after we did it and washed it out. Wolf said we want to get this completed as soon as possible so we can go back to the homeowners that gave us right-of-ways, get them to sign off on the restoration.

Sol Wolf said we also have to keep in mind not to let this reline project go on too long, because we have a performance bond in place. We don't want it to expire before they are finished to our satisfaction. Sol Wolf asked how long this contract has been going on? Sheila said it started in 2003. What was their time period to finish it, does anyone remember? They thought it was about 6 months or something like that.

With no more business for the good of the Authority the meeting was adjourned at 10:20 PM.

Respectfully Submitted,

Tina M. Haser
Recording Secretary