

MINUTES
LOWER SWATARA TOWNSHIP MUNICIPAL AUTHORITY
JANUARY 25, 2010

Vice Chairman Brokenshire called the Regular Meeting of the Lower Swatara Township Municipal Authority to order at 7:00 P.M. The record indicated the following officials in attendance:

- James R. Brokenshire, Vice Chairman
- Charles A. High, Secretary
- Richard W. Wilkinson, Treasurer
- Donald Martino, Asst. Secretary/Treasurer
- Matthew D. Cichy, Engineer
- Peter R. Henninger, Solicitor
- Ronald J. Paul, Township Manager
- Leslie A. LaVia, Recording Secretary

Absent: James R. Gingrich (excused)

Others in attendance: Ronald Burkholder, Von Hess, Michele Braas,
Chris Formin, Bob Sutch

A motion was made by Mr. High and seconded by Mr. Wilkinson to retain the same slate of officers as 2009. The motion was unanimously approved.

A motion was made by Mr. Martino and seconded by Mr. High to reappoint Matthew Cichy with Herbert Rowland and Grubic as the Authority Engineer. The motion was unanimously approved.

A motion was made by Mr. High and seconded by Mr. Martino to reappoint Peter Henninger with Jones and Henninger to serve as Authority Solicitor. The motion was unanimously approved.

Vice Chairman Brokenshire informed the Board that he has been attending the Highspire Borough Authority meetings and representatives from Highspire Borough Authority are in attendance tonight to brief the Board on the status of the construction at the treatment plant. One change order is for the cost to handle the arsenic contaminated soil (spoil) which has been estimated at \$1,000,000. Fortunately, Highspire owns enough property to store the soil on site. The other option would be to haul the contaminated soil to an approved DEP site which would have cost an estimated \$3.8 million. A 10% contingency is factored into the bond issue to cover additional costs. Vice Chairman Brokenshire stated that Highspire Borough Authority needs to

look closely at every change order. Mr. Hess informed the Board that the change order to address a new water line will not be necessary and the change order for the fence for the plant will be an expense that will be paid 100% by Highspire.

Ms. Braas is looking into an amendment for the CFA grant and also looking into additional grant money to defray the cost of the arsenic spoiling. Question was raised if there is any legal recourse from Bethlehem Steel regarding the contaminated soil. The Highspire Borough Authority Solicitor is looking into legal action; however litigation regarding this matter could take years. The excavation is 90% complete but trenching still needs to be done.

Mr. Cichy asked about the change order for the electrical work (Garden Spot). Mr. Hess stated that the master control center change out has been tabled but two years down the road the work will most likely need to be done. When factoring out the change orders, Lower Swatara Township should have a \$22,000 cushion still assuming the million dollar cost for the soil spoiling. The project is a year away from completion and hopefully, there will not be any additional costs. There will most likely be additional engineering costs as a result of the change orders.

Rettew has received the forms for the CFA grant filing and will be submitting reimbursement for as much as possible. Mr. Hess thanked the Lower Swatara Township for expediting the payments to the Highspire Borough Authority. It is imperative that the Engineers' communicate regarding this construction project. Highspire Borough Authority invited the Lower Swatara Township Authority Board to tour the construction site and also stated that the Board members are welcome to attend the job conferences the third Thursday of each month at 9:00 A.M. Mr. Hess referenced an upcoming article in the Press & Journal.

It was noted that Highspire purchased the land from Susquehanna Area Regional Airport Authority (SARAA) and SARAA purchased the land from Bethlehem Steel. A Phase I Environmental should have been conducted when the land was purchased. The Phase I testing should have uncovered the arsenic in the soil.

Mr. Burkholder informed the Board that he would like to purchase capacity (250 EDU's) before April 1, 2010 at the Southwest Derry Township Wastewater Treatment Plant for his Colony of Old Reliance Development. The capacity rate for Derry Township will increase effective April 1, 2010. It was noted that the 250 EDU's includes the assisted living section.

Mr. Burkholder stated that he may need to purchase more EDU's for the project but for now the 250 EDU's should be sufficient.

A motion was made by Mr. Wilkinson and seconded by Mr. Martino to authorize the Solicitor to draft the agreement between Lower Swatara Township Municipal Authority and Mr. Burkholder for sewer capacity (250 EDU's @ \$1,500 per EDU) in the Derry Township Southwest Treatment Plant for the Colony of Old Reliance. The motion was unanimously approved.

A motion was made by Mr. Wilkinson and seconded by Mr. High to approve the December 21, 2009 Minutes. The motion was unanimously approved.

Engineer's Report: Mr. Cichy distributed his monthly written report. Construction continues on Highspire Road for the sewer extension for Emerald Pointe. There was a conflict with the water line. The developer and his engineer are working on a plan to cross the water line near the bridge to provide for future sanitary sewer extensions. Additional right-of-way may be necessary.

Mr. Cichy reviewed the spreadsheet he prepared outlining the project costs to date for the Highspire Wastewater Treatment Plant. The spreadsheet will be modified to exclude the change orders for the fence and new water line and Mr. Cichy will forward the revised spreadsheet to Ms. Braas. Question was raised how the CFA money when received would be dispersed. That matter has not been addressed. It was noted that the design costs for the project were paid from the Sewer Revenue Fund. Four requisitions (five (5) payment applications totaling two million dollars) have been paid to date. Board members concurred that they would like to attend the February job conference and then tour the plant.

Mr. Cichy updated the Board on the Middletown Treatment Plant upgrade. Mr. Cichy had a memorandum prepared by CET, Middletown Borough Authority's Engineer, which describes the process for tracking and payment of invoices for the project and also identifies the cost for the design, bid award, and grant preparation as of January 20, 2010. Middletown will submit the invoices with backup documentation to Lower Swatara for payment to reimburse Middletown. The invoices will be submitted to Lower Swatara by the second Wednesday of the month for review and processing in time for the Commissioners' meeting the third Wednesday of the month. Middletown plans to make one application to CFA for reimbursement once the accumulation of paid invoices reaches approximately \$3.1Million. The first invoice for

engineering costs to date should be coming in February and Lower Swatara's share is expected to be \$151,209.04. Mr. Huntzinger invited representatives from Lower Swatara Township and Royalton to the project conferences, which are to be held every two weeks.

Solicitor's Report: Mr. Henninger informed the Board that Royalton Borough wanted to sell capacity back to Middletown, but Middletown declined. Lower Swatara Township is not interested in purchasing more capacity at this time. Lower Swatara's capacity is 20% in the Middletown Plant.

Mr. Henninger informed the Board that there is a disclosure report that must be filed annually with the National Municipal Securities Information Repositories (NMSIR) and Concord Financial has provided an agreement for their services in the amount of \$2,000 annually. Concord Financial would need to gather information from the Township for the reporting so the Township could file the information electronically. It was noted that the \$2,000 fee would include the filing disclosure reports for all the bond issues. This matter will be investigated further.

Mr. Henninger referenced the delinquent sewer list. Two sewer customers have filed for bankruptcy. Additional liens should be filed for several customers for unpaid sewer charges. With the present state of the economy, the delinquent accounts are increasing and with the increase in the sewer rate, the delinquent amount will most likely increase even higher. Mr. Henninger stated that filing with the District Justice entitles you to 6% interest, with the municipal lien it is 10%. There are costs also with filing through the District Justice. Those costs are eventually collected. Mr. Henninger commented that the attorney fees associated with the filing of a municipal lien should be increased. It was noted that a delinquent list should again be provided 3/31/10.

Manager's Report: Mr. Paul stated that York Building Products has completed the design for their connection to the sanitary sewer system. Mr. Paul questioned if an agreement is necessary between York Building Products and the Municipal Authority. York Building Products will be purchasing 13,000 gallons per day (gpd) capacity at the Southwest Derry Township Wastewater Plant and will be limiting their discharge to 13,000 gpd. Excess flow will be stored on site and released in a timely manner. It was suggested that the Authority have an agreement which would address charges for additional capacity should it be necessary. It was noted that the Authority has the ability to reassess the capacity after a year of connection. There

will be a flow meter on site to monitor the flow for billing purposes. This item will be discussed next month.

A motion was made by Mr. Wilkinson and seconded by Mr. High to approve the January expenses of the Sewer Revenue Fund in the amount of \$126,323.72. The motion was unanimously approved.

The next meeting of the Authority is scheduled for February 22, 2010. Hearing no further business, a motion was made by Mr. High and seconded by Mr. Wilkinson to adjourn. The motion was unanimously approved and the meeting adjourned at 8:30 P.M.

ATTEST:

Leslie A. LaVia
Recording Secretary