

EAST BERLIN AREA JOINT AUTHORITY
103 LOCUST STREET, PO BOX 37
EAST BERLIN, PA 17316
April 7, 2016

The monthly meeting of the East Berlin Area Joint Authority was held April 7, 2016 at 103 Locust Street, East Berlin, PA 17316, and was conducted by Chairman Gerald L. Mummert. The meeting opened with the Pledge of Allegiance at 7 PM.

Members Present: Gerald L. Mummert; Charles Krall; Harold Lau; Ron Weidner; and Rick Saxon.

Also Present: Solicitor Matt Battersby; Secretary, Hannelore Furst; Deepthi Kalyanam of Buchart-Horn; David Richards; John Scrivens; Nathan Boyer; and James Dougherty of McNess, Wallace & Nurick.

Minutes: *A motion was made by Charles Krall to accept the minutes of March 3, 2016 as written; with a second by Harold Lau. Motion carried to accept the minutes as written.*

Payment of Bills: All members received a copy of the bills and receipts for March 2016, the bills totaled \$17,997.60 from the operational funds. *A motion was made by Ron Weidner to approve the paying of the bills for March with a second by Rick Saxon. Motion carried.*

Public/Guest Comment: James Dougherty of McNess, Wallace & Nurick informed the Board the Request for Proposal (RFP) has been sent out and is also on the website. There has been a great deal of interest. This RFP is irrevocable; and if for any reason the Board decides this is not what they want to do, they can terminate the RFP. Mr. Dougherty stated from their perspective, they expect the bids to come in late second quarter 2016; they will review the final bids and if they find them acceptable, then they would move forward and close the deal by third quarter 2016. Solicitor Battersby asked about the data room on the computer, Mr. Dougherty explained the data room is a secured confidential site and can only be accessed by the qualified bidders and will contain the information concerning the water and wastewater systems. McNess, Wallace & Nurick will be working with the Buchart Horn, Inc. for the standard thirty (30) or so questions that the bidders will be asking. A scheduled walk thru of the system will be on April 15; so McNees' team are familiar with our system and can answer questions that interested parties may ask. Eventually, the qualified parties will have a chance to tour the water and wastewater systems, also. It was questioned at what point will the public be notified. Mr. Dougherty stated the RFP was published in the local newspaper and also on our website, so the public was notified. Inquiries from the press will be handled by McNees, Wallace, and Nurick. David Richards inquired if there was a minimum bid in the RFP; and was told there is not, and we have the right to reject all bids for any reason or no reason.

Chairman Mummert stated he thinks the Board should have a public meeting now, to find out what the residents of the community feel about this. Ron Weidner stated not at this time, because we are only exploring the possibilities of leasing or selling the system, and wouldn't have any information to present to them. Mr. Dougherty stated it would be better once we have a listing of qualified bidders. He also stated that recent history has shown that this the time and opportunity which may be fleeting, that certain entities are willing to bid far above their market value, in order to get other systems. Mr. Mummert stated he has been getting inquires about the sale/lease of the system. Mr. Dougherty reiterated we are only exploring the options. Chairman Mummert stated down the road the residents will be paying outrageous rates if the Authority leases the systems. Mr. Dougherty stated in Middletown the rates are increased by 2% a year, which is the maximum increase, by contract. There was a brief discussion of rates, growth and the 20 year plan that Buchart-Horn has put together. Mr. Dougherty explained with a lease plan, you tell the concessioner what projects you want done, in addition to their contribution they pay for capital expenditures. The Authority still retains oversight and management of the system because it's still the Authority's system. Someone else is operating for 50 years, at the end of 50 years we get it back to lease it again or sell it, or operate it ourselves again. He also stated that if you see the levels of interest, then you gauge with the empirical data, that will give you more information to say that you explored that opportunity, vetted that opportunity, and we decided to act on that. Charles Krall expressed himself on the outlook of the Authority's debt and in the future of the area's growth and stated we have to at least look at the leasing possibility. Harold Lau stated he projected a 5% rate increase for the next three to four years to meet the future expenses. Solicitor Battersby stated the language of the lease should state they must meet all existing and emerging requirements of DEP, SRBC and anybody else that has requirements. We do not have that guarantee right now. Mr. Dougherty stated once we have all the information we can have a public meeting and the people

can express their feelings. David Richards reminded the Board the Authority would revert back to the Borough in 42 years. Mr. Dougherty stated we would be bound by the lease. Mr. Dougherty left the meeting.

Engineer's Report: Deepthi Kalyanam of Buchart-Horn stated she has submitted the Chapter 94 Wastewater Report and she has submitted the 2015 Annual Chapter 110 Water Report, and presented a copy of the 2010-2015 report. She has received a copy of the new NPDES Sewer Permit-# PA0021202; which the Authority also received from DEP. Chairman Mummert handed out the proposed twenty (20) year plan for a cost of \$6,400. *A motion was made by Rick Saxon to accept the 20 year plan from Buchart-Horn with a second by Harold Lau. **Motion carried.***

Solicitor's Report: Solicitor Battersby filed a lien against D. Joseph Messinger for nonpayment of his water/sewer bill. Solicitor Battersby noted that he will be contacting Senator Alloway and Representative Moul concerning a bill from SRBC.

Treasurer's Report: Harold Lau reported 8 delinquent accounts for a total of \$4,200.42 before the April billing. Mr. Lau also reported that he has contacted Pennvest concerning the flood insurance on the sewer plant. According to Pennvest, it is not required to have flood insurance on the sewer plant and it is not in the flood plain. *Charles Krall made the motion to drop the flood insurance on the sewer plant with a second by Ron Weidner. **Motion carried.*** Mr. Lau and the secretary met with the manager at BBT Bank concerning fees they are charging. The BBT manager has not gotten back to Mr. Lau on what they can do for the Authority. Harold Lau will be checking with ACNB to see what they will offer the Authority.

Secretary's Report: Hanna Furst reported she received an invoice from Susquehanna River Basin Commission for \$275.00; for the annual compliance and monitoring fee for 2016. On advice from counsel she was told is not to pay the invoice. Solicitor Battersby will be contacting Senator Alloway and Representative Dan Moul concerning this invoice. The secretary also reported the 2016 lease for the office remains the same as last year; \$7080.00 for the year/\$590.00 a month; if paid in a lump sum there is a discount of \$354.00; making the total lease payment \$6,726.00.

Hanna also received a call from Compassion Animal Hospital concerning connecting to the Authority sewer system. It was mentioned that this was discussed back in February 2014; with no action taken because of the high cost for the individual businesses. The businesses involved were the Adams County Bank, Compassion Animal Hospital, Dollar General, Cashman's Hardware, and Nell's Market. There was a discussion on the possibilities of where the hook up would be and the price.

Unfinished Business: At the March 3rd meeting; Rod Walter discussed extending our current contract because rates were lower than they have ever been, so he quoted energy rates and various contract periods. On March 9th, Mr. Walter called inquiring about the board's decision and mentioned the prices were starting to increase. *By email decision; the Board decided to extend the electric contract for 12 months, and the contract was signed.* All members approved the new contract, which actually is lower than our current rate. (current rate-6.963 kw/hr; new contract rate-6.280 kw/hr) ***The Direct Energy electricity extended contract was approved by email to lock in the lower rate, papers were signed and the rate was 6.280 for 12 months.***

New Business: None

Operator's Report:

Nathan Boyer –Nathan reported everything is good.

John Scrivens –John reported he has contacted Jamie Emig and scheduled the work on the piping at the storm water drain on Route 234 for April 12, 2016.

Correspondence:

The Authority received a letter from Aqua-Aerobic Systems, Inc. congratulating Nathan Boyer for his exceptional operation of the SBR System. Charles Krall mentioned the Board also acknowledges Nathan's exceptional work.

There being no further business, *Ron Weidner made a motion to adjourn the meeting; with a second by Harold Lau. **Motion carried.*** Meeting adjourned at 8:25 PM. Next meeting will be held May 5, 2016 at 103 Locust Street at 7 PM.

Respectfully submitted, Hannelore B. Furst, Secretary EBAJA