

EAST BERLIN AREA JOINT AUTHORITY
224 EAST KING ST.
EAST BERLIN, PA 17316

August 6, 2009

A monthly meeting of the East Berlin Area Joint Authority was held on August 6, 2009, at 224 East King Street, East Berlin, PA 17316. The meeting opened with the Pledge of Allegiance at 7 PM.

Members Present: Chairman Gerald L. Mummert; John Lerew; John O'Brien; and David Richards.

Members Absent: Gregory Green

Also Present: Secretary, Hannelore Furst; Treasurer, Charles Eisenhart; Bruce Hulshizer and Brent Bakner of Buchart-Horn; Erik Hume of McNees, Wallace and Nurick; and Dale & Edna Kennedy

Minutes:

John Lerew made the motion to accept the minutes of July 13, 2009 with no corrections. There was a second by John O'Brien. Motion carried with no dissenting votes.

*John O'Brien made the motion to accept the minutes of July 23, 2009 with a correction in the wording on Page 2 in the middle of the page where Gregory Green made the motion to accept the Weber Insurance Company; water contamination issue be explored and if ~~the rate is~~ **added; will it raise the rates.** There was a second by David Richards. Motion carried with no dissenting votes.*

Payment of Bills:

John O'Brien moved to pay the bills for July, 2009 in the amount of \$28,697.42; and seconded by John Lerew. All members received a copy of the bills and receipts for July. Motion carried with no dissenting votes.

Solicitor's Report

Solicitor Battersby reported he has secured the Right of Way from Dale & Edna Kennedy's property, they were paid \$1,354.13 for the lineal feet and the Authority has also agreed to pave their driveway 340 feet; for their right of way; this takes care of all the Right of Ways. Solicitor Battersby explained that at the last meeting, it was discussed about the direction of the paving. Since then, it has been brought to the Board's attention that was the wrong direction. Solicitor Battersby stated there will be 340 feet of paving in the direction towards their house; and wanted to make sure this is part of the agreement. *John Lerew made a motion to accept the agreement with Mr. & Mrs. Dale Kennedy as presented by Solicitor Battersby. John O'Brien made a second to that motion. With a brief discussion on the correct direction the motion carried with no dissenting vote.*

Erik Hume congratulated the Authority on the success of obtaining the grant from the Commonwealth of PA. He noted that our project being a regional project the Commonwealth of PA has been encouraging these types of projects and there are still some surplus funds available. He stated the key to this project was you put together a great package and he was glad to be able to help set up the Authority. Solicitor Battersby made a comment that Jim Dougherty was hopeful in trying to lower the interest rate on the Pennvest loan. He also commented he has been in contact with Frank Leber of Rhodes & Sinon; they are bond counsel for 52 different projects throughout the state on sewer and water treatment plants and of the 52 only one other applicant received such a generous amount from Pennvest. Chairman Mummert commented that the Authority appreciates the support and all the work McNees, Wallace and Nurick have done for the Authority since the inception of the Authority.

Engineer's Report:

Bruce Hulshizer reported they have advertised for bids on the sewer plant as directed, and handed out copies of the ad for the Board's reference. The bids are to be received by September 3, 2009 per Pennvest requirements, and settlement with Pennvest will be October 1, 2009. The pre-bid meetings are scheduled for August 18, 2009; the utilities will be at 9 AM, and collection system will be at 10 AM at the Authority office. Things will be on a fast track. Bruce then spoke about the Local Government Unit Debt Act (LGUDA) which is a self liquidating debt report he will

prepare for Rhodes and Simon's to attach to their submission for Department of Community Economic Development (DCED). This is a five year projection that shows the Authority will be able to pay their bills. Bruce handed out a spreadsheet about the distribution of costs. He included the portions of Reading Twp and Hamilton Twp. in this distribution and explained his calculations using the information from last year. He also explained how he took the per centage of the grant and loan to distribute it to the Northwest trunk area.

Bruce received a call from William Hill, he is Reading Twp's engineer and he wanted to know where the Authority is with the project and what the price will be, so he can put this into his feasibility study.

The Authority closed the regular meeting at 7:21 PM to go into an executive meeting to discuss the legal issues concerning Reading Township.

The Authority closed the executive meeting to re-open the regular meeting at 8:39 PM.

Upon reopening of the meeting;

*John Lerew made a motion to authorize Buchart-Horn, Inc. to recalculate the sewer tapping fees, with a second by John O'Brien. With no further discussion or questions, a vote was taken with all in favor. **Motion carried.***

*A second motion was made by John Lerew to communicate with Reading Township's engineer to quote them the \$190,000.00; with a second by John O'Brien; and there was no further discussion; a vote was taken with all in favor. **Motion carried.***

*A third motion was made by John Lerew to authorize Solicitor Battersby to contact the property owners affected by the Northwest quadrant extension of the sewer lines and offer the connection fees of \$2500 for each service as it is currently in effect, so they can lock that price in. John O'Brien made the second to the motion. With no further discussion the **motion carried** with all voting in favor.*

Treasurer's Report:

Charles Eisenhart asked the Board if there were any questions on the 2008 Audit; since everyone received the information to review at the last meeting. John Lerew suggested there be separate companies in QuickBooks; but should check on pricing to do that. He also questioned the comments made by the auditor on reviewing time cards, random water meter inspections, and internal controls. Chairman Mummert responded he reviews all time cards; and a program has been implemented to do random meter checks. Since the Authority has a small office staff there is segregation of duties as best as possible. Chairman Mummert informed the Board that the Authority staff has ID badges for checking meters at the resident's homes.

Charles Eisenhart commented on the net assets of \$714,307.00 for water and \$208,626.00 for sewer and the Board should decide how much of this money should be transferred to capital reserve or leave it alone. A discussion was held concerning the grant and the loan. It was stated the grant money is for construction only. The discussion continued on whether to transfer some money from our accounts to the water/sewer project fund or invest in a CD. It was suggested to check the rates of CD's at the banks. David Richards suggested to only investing the money from the water fund. *John Lerew made a motion to invest \$200,000 of water fund money in a 6 month CD. With a second by John O'Brien, **motion carried** with all voting in favor of.*

There was a discussion on the amount of money the banks are insuring at the present time. The \$250,000.00 per business does not apply to government accounts. Susquehanna Bank stated the government accounts are insured for 102% of the money deposited; Brian Taylor of Susquehanna Bank will be getting the information for the Authority.

Charles Eisenhart also reported that there are 70 delinquent accounts as of August 6, 2009; for the amount of \$21,496.00.

New Business:

Bruce mentioned the Authority needs an extension for the highway occupancy permit and it needs signed and a check for \$20 for the fee. *John Lerew made the motion to authorize Mike Thoman to sign the extension of the highway occupancy permit (HOP) and send the \$20 fee, with a second by John O'Brien. There was no discussion. **Motion carried** with no dissenting vote.*

Old Business:

Chairman Mummert stated that the subject of the retention of the taped minutes was discussed at a previous meeting and it was decided to have a resolution for the retention of the tape recordings. He read Resolution #2009-9 to the Board. *John Lerew made the motion to adopt **Resolution # 2009-9**. John O'Brien made the second to the motion.* There was no discussion. **Motion carried** with no dissenting vote.

David Richards asked about the water contamination issue on the insurance policy, and if it was checked into. Charles Eisenhart stated it is part of the liability coverage at no extra cost with Weber Insurance agency.

John Lerew questioned if there is any progress with the lease agreement with Mr. Tucker. He was told we are still working on it.

Chairman Mummert reported the Sewer Treatment plant was inspected by DEP on July 22, 2009, the plant passed with a few suggestions.

Solicitor Battersby reported he still has not received any correspondence concerning the amendment to the agreement from Solicitor Shultis proposed between the Borough and the Authority.

Chairman Mummert stated there are Emergency Management folders for all the Board members.

Correspondence:

Chairman Mummert reported receiving a membership plaque from PA One Call and a membership certificate from PA Rural Water.

Having no further business to discuss John Lerew made the motion to adjourn at 8:40 PM. The motion was second by John O'Brien. Motion Carried.

Respectfully Submitted,
Hannelore B. Furst
Secretary of East Berlin Area Joint Authority