

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

April 1, 2010

The monthly meeting of the East Berlin Area Joint Authority was held on April 1, 2010 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 O'Brien; David Richards, Charles Krall, and Robert Clayton.

Members Absent: None

Also Present: Secretary, Hannelore Furst; Treasurer, Charles Eisenhart; Solicitor Matthew Battersby; Bruce Hulshizer of Buchart-Horn; and Michael Wallen.

John O'Brien made the motion to approve the minutes of March 4, 2010 as written with no corrections, with a second by David Richards. Motion carried with all voting in favor.

John O'Brien made the motion to approve the minutes of the special meeting of March 15, 2010 as written with no corrections and a second by Robert Clayton. Motion carried with all voting in favor.

Payment of Bills: *John O'Brien moved to pay the bills for March, 2010 in the amount of \$33,239.35; with a second by Charles Krall. All members received a copy of the bills and receipts for March. Motion carried* with no dissenting votes.

Engineer's Report:

Bruce Hulshizer of Buchart-Horn, Inc reported he received the Penndot contractor's agreement and Buchart-Horn reviewed the costs, and everything is OK. The agreement was for the relocation of several hundred feet of water main lines and relocation of a fire hydrant; the work was associated with the Route 234 bridge construction on the East end of town. The estimated cost is \$148,000.00; which our cost is 50% for an estimated cost of \$74,581.00. The Authority could ask for reimbursement of engineering fees, office work, and inspection cost from Penndot for 50% of those costs. *A motion was made by Robert Clayton to accept the bill from Penndot for the \$74,581.00 with a second by John O'Brien. With no further discussion motion carried* with all voting in favor. David Richards mentioned this expense should be paid from the water fund.

Bruce presented a change order from Gregory Contractors for \$13,600.00 for contracted work increase that was related to taking the water main across Route 234, on the west end of town, out of Penndot's right of way; and to enlarge the water pipes from 2" to 8". Chairman Mummert entertained a motion to accept the change order for an increase from Gregory Contractor's. *Charles Krall made the motion to accept the change order with the increase; with a second by David Richards. With no further discussion motion carried* with all voting in favor.

Bruce continued Johnston Construction has the rebar installed the full height of the tank, and the vertical walls should be going up before our next meeting. OSHA made a visit to the construction site and everything is fine. Chairman Mummert mentioned there are two (2) homes temporarily hooked up at this point to the sewer. Bruce stated this is because the lines went through their drain fields.

There was a water main break at the corner of Water Street and Wagner Avenue on March 24, 2010. There were several things observed; one being how shallow the lines are; and how the lines are connected between Water Street and Wagner Avenue. The contractor will be ripping up Water Street to put in sewer lines and service lines but the remaining pipe is a 4" cast iron line that is sub standard at this point, the minimum is 8" now. According to Bruce, using the bid items that we have from Gregory Contractors; to replace the water main to connect to Wagner Avenue and get it deep enough, the water main would be laid on the left side of the sewer line. To install a clean dry water main, test it, and add new service lines, disconnect the old water main and go all the way to King Street and add valves; that would cost approximately \$175,000.00. There is a contingency in the Pennvest financing that could handle that. Treasurer Charles Eisenhart reported the Authority has a Certificate of Deposit at PNC Bank that will be redeemable soon for

approximately \$254,000.00; he questioned why we should borrow money when there is money available. It was suggested to do this work while the road is torn up. There was a discussion on using PNC bank CD which is water fund money. The price of \$175,000.00 also included adding 3 fire hydrants, and having shut off valves. *A motion was made by Charles Krall; with a second by Robert Clayton authorizing Buchart-Horn to proceed to negotiate with Gregory Contractors for a change order for the water main on Water Street. Motion carried* with all voting in favor. *A motion was made by John O'Brien to use the PNC Bank CD of \$254,000.00 to pay the \$175,000.00 of the additional costs for this project; with a second by Robert Clayton. Motion carried* with all voting in favor.

Bruce stated that because of replacing the water main on Water Street the homes on Schoolhouse Lane connections will have to be changed. He suggested waiting to connect the homes until the new lines are done on Water Street, and connecting both water and sewer at the same time. It will be a few months before this will be accomplished. The home owners will be notified when they can connect to the water and sewer systems.

Bruce mentioned he and Authority Chairman Gerald L. Mummert met with Borough Council President David Richards and the Borough engineer Craig Zack on March 31st and the Borough does ^{has} intentions of doing curbs and sidewalks on Water Street, eventually. Bruce stated that in approximately six (6) weeks the contractors will be ready for the work on Water Street. Bruce presented a draft letter to be sent to the Borough concerning the site visit and the proposed construction in Water Street. Solicitor Battersby questioned the survey of the street, and David Richards stated there has been a survey, and a lot of grass is supposed to be street. Solicitor Battersby stated they would need a survey that both entities agreed on. David Richards suggested they split the cost of the survey; then discussed that ^{if the} Authority pays for the additional paving the Borough could pay for the surveying. He stated the Authority would leave the street in a state that is helpful for whenever they decide to do the curbs and sidewalks.

Bruce discussed the paving of Schoolhouse Lane. He reminded the board that the paving would be done on Schoolhouse Lane to Dale Kennedy's driveway, but the contract shows paving straight down Schoolhouse Lane. Bruce wanted to confirm that this is what the board really wanted or did they want to pave to the Authority's right of way. The discussion centered on the just going to the Kennedy's driveway. Solicitor Battersby suggested a temporary easement from Mr. Kennedy to pave to his property. *Robert Clayton made a motion to authorize a change order with Gregory Contractor to pave Schoolhouse Lane to the Kennedy's driveway as per agreement with the Kennedy's. John O'Brien made the second to the motion. Motion carried* with all voting in favor.

Bruce Hulshizer handed out a scope of a Proposal for Asset Management Assistance: Capital Improvement Plan for the Water and Wastewater system and what would need attention over the next ten (10) years. The following services would be provided:

- (1) prepare a discussion on water system and sewer system;
- (2) note general goals to improve these systems;
- (3) develop a list of capital improvement projects over the next ten years;
- (4) develop concept layout for projects and depict schematic layout on system mapping;
- (5) prepare estimated project costs for each project;
- (6) review projects with chairman and treasurer of board to establish priority of projects;
- (7) prepare and submit 6 copies of Capital Improvement Plan report.

He explained that Asset Management Plan is needed if you plan to apply for any grants. Bruce also mentioned the H2O has more grant money available and the applications are due by July. *John O'Brien made a motion to accept the proposal with an estimate of \$9,000 for the Capital Improvement Plan; with a second by Robert Clayton. Motion carried* with all voting in favor.

Solicitor's Report

Solicitor Battersby reported he checked over the Penndot letter, everything is in order to sign, and he is still working on the lien for the Brown property. Solicitor Battersby requested an executive session concerning 2 items: CW Test and Reading Township.

Treasurer's Report

Charles Eisenhart reported letters were sent out to the delinquent accounts; with the outstanding balance of 35 accounts reduced from \$12,000 to \$4,000.

Charles Eisenhart also reported about Groundwater Rule is a non-funded mandate. He suggested paying for this from the Water Capital Reserve Fund, and the remainder from the CD's. The estimated cost of the construction is \$150,000.00. *A motion was made by Charles Krall to use the money from the Water Capital Reserve Fund for the Groundwater Rule Project, with a second by David Richards. Motion carried* by unanimous vote.

New Business:

Chairman Mummert reported the rental property lease was signed and the rent for the year was paid, for the Authority office new location at 103 Locust Street. An ad will be placed in the newspaper to inform the public of the change in the meeting place for the monthly meetings.

David Richards proposed separating the assignment of the water and sewer costs of the employees, to break the 50/50 split. He stated it would take at least one year to accomplish this. He stated he thinks it possibly could be 70/30 split because water takes more time. He suggested the accounting of the time would be one hour increments. Chairman Mummert suggested doing an estimated report at the end of each day.

Old Business:

Chairman Mummert asked David Richards for a report on the street permits. Mr. Richards stated the street permit is to determine the size and position of any repairs to the streets. The Borough has a two year requirement for any repairs. There is no cost for the permit and they will be sending a draft permit to the utilities by the middle of April.

David Richards stated he has requested several times the monthly expenses and revenues by account number for 2008 and 2009. Mr. Richards stated the Authority doesn't have the information for 2008. Chairman Mummert stated everything was left in the computer at the Borough Hall. Mr. Richards stated the Borough has what was left by the Authority, but they don't have the numerous corrections that were made by Stambaugh Ness after the Authority left. He also stated the Borough doesn't have the Authority's data with backup. He stated he really didn't need 2008 data; he is more interested in 2009's data. The monthly data he requested is to track the flow of accounts. Chairman Mummert stated the Authority is a separate entity in itself, and the Borough has nothing to do with the Authority. Everyone has access to the audit reports to review. The discussion continued about the access to QuickBooks. Charles Krall questioned Mr. Richards if the Borough still had the Authority data or software on any of their computers. David Richards responded that it does. Charles Krall stated it should not have the Authority data; and it is close to espionage. Mr. Richards agreed and stated they could delete it. Mr. Richards stated that still didn't address that the Authority doesn't have its own records for 2008. It was mentioned that Craig Witmer of Smith, Elliott Kern (auditor) conferred with Ms. Sheila Scott of Stambaugh Ness to get the 2008 audit information. David Richards stated Stambaugh Ness downloaded everything and did the adjustments for the Borough accounts. He also stated there would not be a pure historical flow of the records because of the continuous changes because of the relocations; and you should be able to track those changes with reasonable certainty when you look at your financial statement. He suggests the Authority get a copy of the 2008 financial record, and he thinks Charles Krall is right and the Authority should request the Borough delete everything that relates to the Authority. It was mentioned that in the Borough's recent bill list the Borough had and audit done on the water and sewer accounts left on their computer. Mr. Richards explained that Rotz and Stonesifer found that Stambaugh Ness did not clean out the balance sheet for items that should have been taken off when the accounts and amounts were transferred to the water fund. The secretary is busy compiling the information for the audit and getting the files packed for the relocation of the office but should have the information Mr. Richards requested available for him in the next two weeks.

Charles Krall made a motion to authorize a letter be sent to Mr. Richards; the President of Borough Council to delete all data and software from the Borough computers as pertains to sewer and water information; with a second by John O'Brien. Motion carried with all voting in favor.

Correspondence:

PMAA 2010 Spring Management Workshop, April 27 at Hershey.
David Richards mentioned he received information on Kangan Water system.

Public Comment: None

The regular meeting closed at 8:52 PM for an Executive session concerning legal negotiations with CW Test. The Executive session closed at 9:40 PM.

The regular meeting reopened and it was decided to recalculate the tapping fees to get more EDU's.

Having no further business to discuss Robert Clayton made the motion to adjourn at 9:42 PM. The motion was second by John O'Brien. Motion Carried.

Gerald L. Mummert, Chairman EBAJA

ATTEST:

Hannelore B. Furst, EBAJA Secretary