

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

July 13, 2009

The monthly meeting of the East Berlin Area Joint Authority was held on July 13, 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; Gregory Green; John Lerew; John O'Brien; and David Richards.

Members Absent: None

Also Present: Secretary, Hannelore Furst; Treasurer, Charles Eisenhart; Solicitor Matthew Battersby; Bruce Hulshizer of Buchart-Horn; Scott Burns of Weber Insurance Agency, Larry Adams, Nathan Boyer, Michael Wallen and his daughter and Ken Furst.

Minutes: *John O'Brien made the motion to accept the minutes of June with a correction to a word. There was a second by John Lerew.* A correction on the wording of schematics should be: Matt Battersby explained it was a matter of **schematics** (should be **semantics**); the agent is McNees, Wallace, and Nurick and the client is the Authority. **Motion carried** with no dissenting votes.

Payment of Bills: *John O'Brien moved to pay the bills for June, 2009 in the amount of \$30,820.25; and seconded by Gregory Green.* All members received a copy of the bills and receipts for June. **Motion carried** with no dissenting votes.

Public Comment: Larry Adams stated he has an apartment building at 105-107 West King Street, and at Apt 1-A he is having a problems with the amount of water the meter is showing as used. He had the meter replaced; and asked if he has to pay the present water bill of \$320. He was told that he has to pay the bill; and the Authority would check the usage after the next quarter and see if there can be an adjustment.

Chairman Mummert reported he received a phone call today from Senator Rich Alloway. He had encouraging news about the possibility of receiving grant money. He stated all the paperwork has been filled out and the requirements have been met; and it looks very favorable for the Authority to receive some money. Also, noted; that CW Test had not contributed to the lobbying efforts as previously discussed last month. Chairman Mummert explained that he received permission from the available members for the expenditure of up to \$5,000 to hire Mr. Dougherty to lobby and help procure a low interest loan for the Authority.

Solicitor Battersby explained that CW Test's attorney has been in contact with Senator Mike Waugh and Senator Waugh has written letters endorsing our project to the director of PENNVEST. He further explained that CW Test is still trying to help us, even if they didn't support us with the money.

Correspondence:

- Chairman Mummert reported 3 employees would be attending the PMAA Rapid Response Course in Camp Hill on July 21, 2009 which is free.
- Chairman Mummert read the letter dated June 11, 2009; from Department of Environmental Protection; where they have reviewed the annual Municipal Wasteload Management Report, and have concluded the treatment plant is organically overloaded.
- Chairman Mummert read a letter dated July 13, 2009, that was hand delivered by Bernard Tucker of Tucker Industrial Liquid Coatings, Inc. advising the Authority that effective August 1, 2009; the Authority is to vacate the space they rent from him. Chairman Mummert asked if any of the members knew what precipitated this. Mr. Richards asked if the Authority had a signed leased; Solicitor Battersby responded that we had a month to month rental agreement. No one responded to Chairman Mummert's question.

Engineer's Report:

Bruce Hulshizer of Buchart-Horn, Inc. reported he received more correspondence concerning the Pennvest application. There are some more requirements about buying American products for construction. It was discussed to set up another meeting for after the July 21, 2009 Pennvest meeting; to make arrangement for the possible Grant award. A meeting was scheduled for July 23, 2009 at 7PM.

Solicitor's Report

Solicitor Battersby reported he has secured the Right of Way from the Zeigler's, and there is only one Right of Way to acquire yet. He requested an executive session following the meeting to discuss that one Right of Way.

Solicitor Battersby stated he is still waiting on the addendum from the borough solicitor, Tim Shultis.

Solicitor Battersby also reported he received correspondence from the PA Department of Insurance and their investigation shows there was coverage back to January 15th 2009. There was no lapse in coverage.

Chairman Mummert asked Solicitor Battersby if he had a chance to review Reese Masonry's liability insurance, because the Authority would like them to start the project. He did check and everything is in order. Michael Wallen asked what they wanted to do with the windows at the reservoir; it was decided to use glass block at the top and brick the rest of the closed. The windows at the Fish & Game Road facilities it was decided to put bars on the windows.

Treasurer's Report

Charles Eisenhart introduced Scott Burns of Weber Insurance. He presented information on Selective Insurance Program. Weber Insurance represents a lot of local municipalities. He reported on the general liability insurance, workman compensation, automobile, bonding, and the umbrella policy; then he discussed the various rates for the Authority's property. The Authority insurance policies are due for renewal by August 1, 2009. The other two insurance companies will be notified to attend the July 23, 2009 meeting to present their proposal.

Charles Eisenhart reported the CD at the PNC bank has been renewed for the amount of \$254,183.00 for .9%. Charles Eisenhart asked the board what they wanted to do with the \$9,000 CW Test Sewer Reservation CD that is due for renewal on July 21, 2009, since the time limit has expired for the sewer reservation; the money becomes the Authority's property. *John Lerew made the motion to close the CW Test Sewer Reservation CD at Susquehanna Bank and deposit it into the Adams County Bank Water/Sewer Project Fund account, with a second by Gregory Green.* There was no discussion. **Motion carried** by unanimous vote.

Charles Eisenhart introduced Resolution 2009-7; A Resolution to pay accounts payable bills as needed to eliminate late fees or take advantage of any discounts for early payment. *Gregory Green made the motion to accept Resolution 2009-7 and John O'Brien moved to second the motion.* **Motion carried** with no dissenting vote. Charles Eisenhart also introduced Resolution 2009-8; A Resolution to pay \$1 per lineal foot for the Right of Ways for the sewer line of the northwest trunk lines. *John Lerew made the motion to accept Resolution 2009-8 and David Richards moved to second the motion.* **Motion carried** with no dissenting vote. The Election of Reimbursement to the Unemployment Fund was introduced and it was discussed that this is the same as it was when the employees worked for the Borough. This is a form that needs to be filled in and signed and sent in. Matt Battersby explained the form to the Authority that they do not have to establish a reserve for the unemployment fund; they would only pay if there is a claim. John O'Brien made the motion to accept the Election of Reimbursement to the Unemployment Fund with a second by John Lerew. With no further discussion the **motion carried** by unanimous vote.

Chairman Mummert entertained a motion to send the 6 month report (January 1, 2009 to June 30, 2009) of the salary of the employees to the Borough. *John Lerew made the motion to send the 6 month report (January 1, 2009 to June 30, 2009) with a second by John O'Brien.* This is a requirement of Authorities to submit to this information to the municipalities which incorporated them. **Motion carried** with no dissenting vote

Charles Eisenhart explained that T. Michael Thoman's insurance premium was being deducted from his pay check and then sent to the Borough. It was accumulating in the payroll fund; but was being paid from the sewer fund because Stambaugh-Ness had set it up that way. Mr. Eisenhart would like permission to transfer the appropriate amount from the payroll fund to the sewer fund. David Richards questioned the benefit the Authority

gets from deducting a private debt for an employee of the Authority. He felt it costs a great deal of additional accounting by the Authority; at least two transactions and it shows up in the Authority's bills. He also questioned what if another employee wanted to have their car payments taken out of their pay check. He stated this is a very bad policy, and it is not a legitimate operation of the Authority. There was further discussion on this subject, such as child support payments being taken out of pay check. Mr. Richards continued to support his idea. It was reiterated that Mr. Thoman should pay his insurance to the Borough from his own checking account. *David Richards made the motion that private debts of employees of the Authority are not to be collected by the Authority for payment of private debt except for court ordered deductions.* There was no second to the motion. **Motion Failed.** Charles Eisenhart asked for a motion to transfer money (\$4848.70) from the payroll account to the sewer account. *John O'Brien made the motion to transfer money (\$4848.70) from the payroll account to the sewer account; with a second by Gregory Green.* By roll call vote all voted yes and the **motion carried.**

Charles Eisenhart reported the auditor's report from Smith, Elliott, Kearns & Co. came back favorable, and everyone will receive their copy before they leave so they can review and discuss at next month meeting.

Mr. Eisenhart continued about the rates that were raised in November of 2007. There was an administrative charges for the water of \$12; and the sewer of \$65 for residential and \$80 for commercial. That part of the water and sewer bill was for capital expense for the upcoming construction of the plant. Mr. Eisenhart stated that he has calculated since the first of the year the revenue that should be transferred to the capital expense. The water fixed amount was \$17,028 and the sewer fixed amount from both residential and commercial account would be \$93,065; and he suggests transferring these amounts into the water/sewer project fund. The reason for doing this is so we will be able to assess if the charges per gallons is covering the regular expenses. There was a discussion and Mr. Richards stated that the accounts would have to be separate and the operational cost is set at \$3.90 per thousand excluding interest is now about \$6 so essentially if the \$65 is backed out you won't be able to pay the operating costs. It was suggested by Mr. Eisenhart to only take part of the money out right now and see how this works. Charles Eisenhart explained that we want to build up the water/sewer project fund so that when the Authority gets the final debt there is money to use. John Lerew stated that if we cannot cover the operating fees now; we need to raise the rates now. David Richards stated the water usage and sewer usage amount are both insufficient. The fixed charge is basically cross subsidizing the usage. John Lerew questioned the statement. Mr. Richards stated the variable rates were cross subsidized; but that was not bad because you only have to read the meter one time (sewer usage is based on water usage) so in effect the water fixed charge covers the reading for the water and sewer; and the sewer fixed charge is all capital money. Mr. Richards continued that the sewer average cost does not come near to covering the operating costs of running the sewer plant. If you want to cover the capital cost of the new plant; the best place to raise the rates is in the fixed charge. Gregory Green reminded David Richards that when the rates were raised, it was decided not to raise them all at one time, and wait to see what the costs would be before raising them again. Mr. Richards stated that no matter what we receive from the state the sewer rates have to go up. David Richards handed out an analysis paper on his estimate of what the Authority would likely have to do; depending on how much money the Authority would receive from Pennvest and he continued to explain his analysis. Charles Eisenhart recommends we look at actual numbers; and his numbers reflect the actual receipts for the first six months.

New Business:

Chairman Mummert reported on the progress report submitted by Mike Wallen. It stated there were 13 fire hydrants flushed in June. Chairman Mummert asked Mike Wallen how the wells are doing. Mike reported the wells are relatively good, but suggests informing the residents to conserve the water. It was suggested that a notice be put on the community board on the square to conserve water.

Chairman Mummert also announced there are no vacancies for employment at this time.

Chairman Mummert reported that on July 16 there will be a valve exerciser demonstration in the afternoon.

Old Business:

The board reviewed the personnel manual and decided to make some changes. David Richards suggested changing the wording of *initial* employment period to *probationary* employment period on page 3, letter C. Page 7, Number VI, it was suggested to change after *60 days* to *probationary period*, and Number VII; it was suggested to change *90 days of employment* to *probationary period*. Page 9, Letter A should be inserted on Page 3 as Number II Pre Employment. All applicants will be tested for drugs prior to commencing employment with the Authority. An applicant testing positive for drugs will not be considered for employment. On Page 4, Letter C to be changed to read -All employee contributions toward health insurance and/or retirement benefits will be deducted from the employee's paycheck. There was a discussion on whether a health insurance could be deducted from the part-time employees to pay their insurance. *David Richards made the motion to accept the personnel manual as amended, with a second by Gregory Green.* A roll call vote was taken with all voting yes. **Motion carried.**

There was a discussion on the insurance bond coverage; it was suggested to have bond insurance at \$100,000. This will be instituted when the insurance company has been selected.

Identity Theft Protection was tabled until another meeting.

Public Comment:

Mike Wallen thanked David Richards for the use of the dump truck, and Mike Wallen asked in the event of a water leak, would the Authority have access to the dump truck also. David Richards stated the Authority could use the dump truck. Gerald Mummert requested that David Richards personally ask for any requests for use of manpower or equipment instead of writing letters.

John O'Brien made the motion to adjourn at 9 PM to go into Executive Session to discuss the Right of Way issue. The motion was second by Gregory Green. Motion carried.

The meeting reopened at 9:15 PM from the Executive Session.

*Gregory Green made a motion to authorize Solicitor Battersby to obtain the services of a commercial appraiser to give an appraisal fee for the Dale Kennedy property to condemn and acquire 1345.13 lineal feet and authorize the solicitor to contact Mr. Kennedy one last time and offer the lineal foot price of one dollar (\$1.00) plus the pavement of his driveway for 340 feet beginning at the borough property. The motion was seconded by John Lerew. With no further discussion **motion carried** with no dissenting vote.*

Having no further business; John O'Brien made the motion to adjourn at 9:18 PM. The motion was second by David Richards. Motion carried.

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