

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

July 23, 2009

A business meeting of the East Berlin Area Joint Authority was held on July 23, 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: Solicitor Matthew Battersby

Also Present: Secretary, Hannelore Furst; Treasurer, Charles Eisenhart; Bruce Hulshizer and Brent Bakner of Buchart-Horn; Dave Staub of Staub, Riggs & Collins Insurance Agency, Brian Rabena of Glatfelter Insurance Group and Ken Furst.

Charles Eisenhart introduced Dave Staub of Staub, Riggs & Collins Insurance Agency, he represents Erie Insurance. Mr. Staub presented information on Business owner insurance, Work Comp., Auto and the umbrella policy; then discussed the various rates for the Authority's property. He went over the different coverage and the rates. There was a brief discussion on a million dollar liability coverage. Flood insurance was not discussed, but would be considered when the policies get near the renewal date.

Correspondence:

- Chairman Mummert reported on the Authority being granted a low interest loan from Pennvest for \$5,130,000, (interest rate of 2.522% for the first 5 years and 3.172% for the remaining 15 years) and a grant from the Commonwealth Financing Authority (H2O PA) for \$3,950,000.
- Chairman Mummert read a letter dated July 20, 2009, that Bernard Tucker of Tucker Industrial Liquid Coatings, Inc. has rescinded his letter of July 13, 2009 to vacate the space we rent from him. It was brought up to get more than a month to month lease from Mr. Tucker.
- Chairman Mummert read a letter from Senator Mike Waugh of the 28th District, York County; on his support for the EBAJA new sewer plant project through Pennvest.
- Chairman Mummert reported Solicitor Battersby has sent a letter to Mr. Dale Kennedy about the Right of Way on his property.

Chairman Mummert asked David Richards if it would be possible for the Authority to use the dumpster at the Borough Hall. Mr. Richards stated he didn't see why the Authority couldn't use it, but would bring it before council at the next meeting.

Engineer's Report:

Bruce Hulshizer of Buchart-Horn, Inc. reported he doesn't have anything different to report about the H2O PA Grant or the Pennvest Loan that has already been announced. He suggested the board make a motion to accept the funding offer for the Pennvest loan within 15 days. *John Lerew made the motion to authorize Charles Eisenhart to accept the Pennvest loan subject to a legal review; with a second by Gregory Green.* With no further discussion, there was a roll call vote with all voting yes to authorize Charles Eisenhart to accept the loan subject to a legal review, **motion carried** with no dissenting vote. Funding settlement is to be held as quickly as possible. The next items relating to the loan is advertising for the bids and obtains all environmental permits which must be done by September 1, 2009. For the loan; the Authority must have a fully executed construction contract by October 31, 2009. There is a mandatory meeting for the 3 principle members (Bruce Hulshizer, Matt Battersby, and Charles Eisenhart) for the Pennvest loan on Monday July 27, 2009 in Harrisburg. Bruce reported he will be sending Brent Bakner in his place since he will be on vacation. There was a brief discussion on the bidding. *Gregory Green made the motion to allow Bruce Hulshizer to advertise for the bids as in compliance to Pennvest rules. The motion was*

second by John Lerew. There was a brief discussion on making sure the Authority is in compliance with Pennvest's rules. It was suggested there be a 3 week time period for the bids. By roll call vote all voted yes. **Motion carried.**

Bruce continued informing the Authority on some of the requirements of the loan; which would include weekly conference calls. He also mentioned that the Authority is required to have sewer rates that would cover what they owe. The Authority will have to look at their rate schedule; as far as how much and when to raise the rates.

Bruce mentioned when they were updating documents for Pennvest, they checked some items to reduce some of the costs and found they could reduce the slab thickness by 6 inches by adding pressure releasing valves. He also stated there should be some very competitive bids, and hopefully the Authority won't need to borrow the whole amount.

Charles Eisenhart questioned how the Authority would be handling the tapping fees, and any businesses that want to hook into the system; now that there is money. It was decided to discuss at a later time. Charles Eisenhart stated he would notify Frank Leber about the August 6th meeting.

John Lerew read a news release that was composed concerning the receipt of a grant and low interest loan, some changes were made and it was decided to submit it to the newspaper.

Chairman Mummert updated the board on the Department of Environmental Protections inspection of the water plant on July 22, 2009; by Joe Roth. Mr. Roth had a few suggestions, but overall everything was good.

Charles Eisenhart introduced Brian Rabena of Glatfelter Insurance Group. Mr. Rabena represented Rural Special Districts Insurance Services. He presented the breakdown of the property insurance, equipment, work comp., auto, crime, and the umbrella policy; then discussed the various rates for the Authority's property. Mr. Rabena pointed out differences in the current policy and what his company has to offer; such as the water and sewer line exposure. He went over the different coverage and rates, and mention this company has an A+ rating in the insurance industry. After Mr. Rabena left; there was a discussion on the workman comp figures and the water contamination insurance list in the policy.

Chairman Mummert entertained a motion to select the insurance carrier for the Authority. *Gregery Green made a motion to accept the Weber Insurance Company proposal basted on the following conditions: water contamination issue be explored and if the rate it will raise the rates, and how much; if more than the public practice by the Glatfelter insurance; then Glatfelter would be selected; with a second by John Lerew.* There was a discussion about the water contamination issue and the health insurance, which Glatfelter Insurance doesn't offer any health insurance. It was mentioned that Weber Insurance does insure other local municipalities. With a roll call vote all members voted No. **Motion was declined.** David Richards then made a motion to accept the proposal of Weber Insurance subject to checking on the water contamination issue and if not included in the policy; add it if it is less than \$3,000; with a second by Gregery Green. There was no more discussion; and by roll call vote all voted yes. **Motion carried.**

Old Business:

David Richards brought to the attention of the board that Charles Eisenhart wanted to transfer funds at a previous meeting. Mr. Eisenhart responded the funds were not transferred because they were not immediately needed. It was mentioned the CW Test certificate of deposit for \$9,551.70 was cashed in and closed and then deposited into the Adams County National Bank water/sewer project fund.

John Lerew asked if the grant money could be spent without any strings attached to the Pennvest loan. He was told the meeting on Monday July 27th would possibly answer any questions on how the money can be spent.

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

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