

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

September 3, 2009

The monthly meeting of the East Berlin Area Joint Authority was held on September 3, 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; Solicitor Matthew Battersby; Bruce Hulshizer and Brent Bakner of Buchart-Horn; Jonathan Cox of Rhoads & Sinon, LLP; Robert Clayton; and Frank Schuhart

**Minutes:**

*John O'Brien made the motion to accept and approve the minutes of August 6, 2009 as written with no corrections, with a second by David Richards. **Motion carried** with no dissenting votes.*

**Payment of Bills:**

*David Richards moved to pay the bills for August, 2009 in the amount of \$48,923.97; and seconded by John O'Brien. All members received a copy of the bills and receipts for August. John Lerew questioned the bill of Daryl Reese Masonry and how it was expensed. The bill was split 50/50 between the water fund and the sewer fund; it was decided to pay the entire bill from the water fund because it was for the work done at the reservoir. There was a brief discussion on what the original estimate was for the reservoir building work. Chairman Mummert checked the minutes of June 2009 for that information. It was stated there is approximately \$2500 available from that estimate. After no further discussion a roll call vote was taken with all voting in favor of the bills with the correction of Daryl Reese Masonry bill. **Motion carried.***

**Engineer's Report:**

Bruce Hulshizer reported the bids were opened today with the award for construction contract going to the low bidders. Johnston Construction Co., the general contractor; bid was just over \$5 million; Garden Spot Electric, Inc., the electrical contractor for \$511,000; and Gregory Contractors, Inc., the collection system, for just under \$1.5 million; for a total of \$7,028,000. This is less than the bids last year by over one hundred thousand dollars. Bruce reported they have worked with these contractors before and feel comfortable with their work. Bruce recommends the Board authorize giving the intent to award notice, tomorrow; and also authorize giving notice of award on condition of providing bonds and insurance certificates; and notice to proceed, conditionally on PENNVEST findings.

*A motion was made by John Lerew to authorize Buchart-Horn to issue intent to award to the lowest bidders; Johnston Construction Company for general construction; Garden Spot Electric, Inc. for electrical work; and Gregory Contractors, Inc. for the collection system; totaling \$7,028,000. John O'Brien seconded the motion. With no further discussion a roll call vote was taken and all voted in favor. **Motion carried.***

*A motion was made by John O'Brien to authorize Buchart-Horn to issue an award of the bids upon satisfactory submission and review of proper insurance and bonds of the lowest bidders; Johnston Construction Company for general construction; Garden Spot Electric, Inc. for electrical work; and Gregory Contractors, Inc. for the collection system. John Lerew seconded the motion. With no further discussion a roll call vote was taken and all voted in favor. **Motion carried.***

*A motion was made by John O'Brien to authorize Buchart-Horn to issue a notice to proceed upon closing of the PENNVEST loan which is scheduled for October 1<sup>st</sup>, 2009. David Richards seconded the motion. With no further discussion a roll call vote was taken and all voted in favor. **Motion carried.***

The copies of the 3 lowest bids will be on file at the Authority office, for public inspection.

Bruce Hulshizer asked if the Board planned to have a ground breaking ceremony. The general consensus of the Board is to have a ground breaking ceremony and invite Senator Alloway, Senator Waugh, and Representative Will Tallman. The newspapers and television stations should also be informed. It was suggested the ceremony would be October 2, 2009 at 10 AM, and there should be an initial phone call with a follow up invitation to the guests.

Bruce contacted Reading Township's engineer as authorized by the board last month, and informed him of the cost of connecting their forced main to the system, and received back a drawing from Reading Township's engineering firm of their forced main coming across the Conewago Creek to the manhole. Bruce will review the drawing and respond to their engineers at a later date, because nothing will be decided on until after the closing with PENNVEST. David Richards informed the Board that the Borough also received the Act 14 notice concerning this.

#### Solicitor's Report

Solicitor Battersby introduce Solicitor Jonathan Cox of Rhodes & Sinon, LLP, he works for Frank Leber. Solicitor Cox informed the Authority Board that the East Berlin Borough approved the guarantee of the loan from PENNVEST. Solicitor Cox stated his firm collected all the paperwork and filed it as required with DCED; and they have been filed a week ago as of this meeting. There is a 20 day appeal period, provided there is no appeal then DCED will provide a certificate of approval, and the guarantee will be on the books.

Solicitor Cox handed out the checklists and gave a brief summary of the resolution. The resolution authorizes the issuance of the note that PENNVEST calls the Debt Obligation, with the maximum principle amount of \$5,130,000. He further explained that amount could be reduced once the engineer fills in all the cost sheets with the final schedule of values from the contractors. It approves the form of the loan agreement (funding agreement), the form of the note itself, and the form of the guarantee agreement, and authorizes the officers of the Authority to execute and deliver those documents to PENNVEST for the closing. It also authorizes the Chairman or Vice Chairman to make any necessary changes to the documents presented this evening and the final form of the documents, including the final amount. He further stated that if the Resolution is adopted this evening no further action of the Board will be required to close the PENNVEST loan. David Richards stated the language on the resolution was extraordinarily awkward, just like when the Borough did the agreement, and he was told it was drafted in Harrisburg, and was 30 years old and they have no intent on changing the wording. Solicitor Cox pointed out that the terms of the funding offer; it will be a 20 year loan from the date you begin amortizing (the month following the completion of construction); there is an interest only period (a line of credit) for when the contractors complete their work, then they submit invoices to the engineer, the engineer submits to PENNVEST, PENNVEST will then make the disbursement. This is a draw down process and you will pay interest only on the advances until the end of the construction period. The month following the completion of the construction then begins the amortization of the principle for a period of 20 years. The first five years including the interest only period is at a rate of 2.522%; the remaining 15 years will be at a rate of 3.172%. He left copies of the funding agreement, the debt obligation, and the guarantee. This resolution will be Resolution # 2009-10. *John O'Brien made the motion to accept Resolution #2009-10 as presented by Solicitor Jonathan Cox, and seconded by John Lerew. There was no further discussion, by roll call vote all voted in favor of. Motion carried.*

Solicitor Cox continued to speak about the closing process. He informed the Board that Charles Eisenhart has been monitoring the PENNVEST web site. There are check lists that have to be completed, and much of the web site is about uploading documents. He left a packet of forms that need to be signed and he needs a copy of the By-Laws to be FedEx back to him. He went over the solicitor's responsibility in this whole process and there should be two engagement letters, one from each solicitor.

Bruce Hulshizer explained some of the things that have been added to the PENNVEST web site. He also went over the items that have been done and what are pending.

Solicitor Battersby reported he did send letters to the property owners that we received the right of ways from; informing them of the Board's decision that when it is time to connect to the system they can take advantage of the existing connection fee. The connection fee will be greater in the future because of the new sewer plant. Solicitor Battersby will be following up with the residents to see if they have accepted this offer.

### Treasurer's Report:

Charles Eisenhart explained the 2010 Minimum Municipal Obligation (MMO) for the East Berlin Area Joint Authority Pension Plan (01-426-6 N) with Pennsylvania Municipal Retirement System (PMRS) would be \$12,270.00.

*A motion was made by David Richards to approve and adopt the East Berlin Area Joint Authority Pension Plan Minimum Municipal Obligation for the 2010 budget of \$12,270.00; there was a second by John O'Brien. By a roll call vote, all voted in favor. Motion carried.*

Charles Eisenhart explained that the Adams County Water/Sewer Project Fund needs some money transferred into that account. He recommends transferring \$100,000 from the water fund to the water/sewer project fund. There is a balance of \$1,819.40 in that fund as of this date, because there are checks that have not cleared the bank yet. David Richards suggested to include the interest on the borrowed amount also be repaid to the account it is taken from. Mr. Richards also suggested borrowing some money from the sewer fund. Chairman Mummert entertained a motion to transfer \$100,000 from the water fund to the water/sewer project fund to include interest equal to the bank interest to be repaid to the water fund. *John Lerew made the motion to transfer \$100,000 from the water fund to the water/sewer project fund to include interest equal to the bank interest to be repaid to the water fund with a second by David Richards.* There was no further discussion and a roll call vote was taken with all voting in favor. **Motion carried.**

Charles Eisenhart's last item is the preliminary budget for 2010 and should be started soon. He suggested there should be a personnel meeting concerning the wages of the employees, so that the information can be ready for the October meeting. A personnel meeting is scheduled for September 10, 2009 at 6 PM. It was requested that there be wage comparison information available for that meeting.

### New Business:

Chairman Mummert informed the Board of the sewer problem on Branch Circle. He read the estimates from Swam Electric for the 2 pumps that are being repaired. Pump #1 is estimated at \$1923.19 plus shipping and Pump #2 is estimated at \$725.63 plus shipping. Chairman Mummert reported that Keystone Pump and Power from Dillsburg was contacted for a loaner sewer pump at a rate of \$1800 of a month. Also a water pump went out at the South Ave. well and was replaced last week. Kohl Brothers put in a temporary bypass pump and the water levels have returned on the wells. Mike Thoman checked pricing for a submersible pump and it is estimated at \$15,000. The old pump was 37 years old.

Bruce Hulshizer then reported that the pump at the sewer plant is making rattling noises, and DEP expressed a concern about it. Bruce suggested that since this is a stand by pump, he didn't think the Board wanted to spend the money to replace this pump; it still works. John Lerew suggested it could be the bearings and they should be replaced, or at least get an estimate to replace the bearings.

Chairman Mummert presented a proposal from Robert G. Miller for \$949, to put the gutters and downspouts on the building on Fish and Game Road. Mr. Richards suggested not putting any gutters on the building because it will fill with leaves. John Lerew stated there would be a problem with the water not getting away from the building and eroding the foundation. There was a discussion about getting gutter guards. John Lerew suggested an annual maintenance program to include the cleaning of gutters.

*A motion was made by John O'Brien to accept the Robert G. Miller proposal for the gutters and downspouts, with a second by David Richards.* John Lerew stated the cleaning of the gutters and downspout is to be added to the annual maintenance check list. It was suggested to check Lowe's or Home Depot for inexpensive gutter guards. By roll call vote, all voted to accept Robert G. Miller's proposal. **Motion carried.**

Chairman Mummert also presented a proposal from Daryl Reese for iron security bars for 9 windows at a price of \$3,679. There was discussion on the security issue. Mr. Richards discussed the windows on his previous residence were stretchable and cheaper, and stated that \$600 per window is high. Chairman Mummert stated there is a proposal for frame work for the door and a replacement door of \$860. Mr. Richards will check on prices at Lowe's and Home Depot. It was decided to table the proposals and inspect the work that has already been done on the building.

Public Comment:

Robert Clayton lives on Lodge Lane and had several residents inquire about the taste of the water last week. He also mentioned that some residents outside of the Borough questioned if the sewer would be extending outside the Borough to Reading Township. John Lerew stated the residents should address their concerns with Reading Township, on that matter. Mr. Clayton also questioned the drawing of the building on the meeting room wall and where this would be built. He was told there was no decision on where or when this building would be built.

Old Business:

David Richards informed the Board that Earl Brown residences is being fixed up and has been served by the Borough. He also asked if the generator has been fixed. John Lerew informed Mr. Richards that it is unrepairable, and there will be a new generator for the new plant. Solicitor Battersby informed the Board that the Fire Companies are equipped with emergency generators if it is needed. Mr. Richards asked how we are progressing with the shut off valves. It was stated the equipment has been received and they are waiting for training, and this is not a good time of the year to open hydrants

Correspondence:

- Chairman Mummert reported everyone has a copy of the building permit for the new sewer treatment plant.
- Mike Thoman, Mike Wallen, and Nathan Boyer received certificates from PA Rural Water Assn on a class they attended.
- Received Etc. newsletter
- Invitation to fall dinner meeting from PA AWWA
- Thank you note from Mr. & Mrs. Mike Wallen for the planter on the birth of his son.
- An invitation from Buchart-Horn on the public notification seminar-Sept 25. @ 10 AM

Chairman Mummert reminded the Board of the loan closing on October 1, 2009; and Bruce Hulshizer mentioned the pre construction meeting to be held September 29, 2009 at the Authority office @ 10 AM.

Having no further business to discuss John O'Brien made the motion to adjourn at 8:55 PM. The motion was second by John Lerew. Motion Carried.

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Gerald L. Mummert, Chairman  
East Berlin Area Joint Authority

ATTEST:

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Hannelore B. Furst  
Secretary of East Berlin Area Joint Authority