

EAST BERLIN AREA JOINT AUTHORITY
103 LOCUST STREET, PO BOX 37
EAST BERLIN, PA 17316
December 6, 2012

The monthly meeting of the East Berlin Area Joint Authority was held on December 6, 2012 at 103 Locust Street, East Berlin, PA 17316, and was conducted by Chairman Gerald L. Mummert. The meeting opened with the Pledge of Allegiance at 7PM.

Members Present: Chairman Gerald L. Mummert; Charles Krall (Late); John O'Brien; and David Richards.

Members Absent: Robert Clayton

Also Present: Secretary, Hannelore Furst; Treasurer, Charles Eisenhart; Solicitor Matthew Battersby; Donna Kreiser-Bond Counsel; Deepthi Kalyanam of Buchart-Horn; John Scrivens; Nathan Boyer; and Roberta Teal.

Minutes: *A motion was made by John O'Brien to accept the minutes of November 1, 2012, with corrections, by Bruce Hulshizer; as noted with a second by David Richards. In the second paragraph of the Engineer's Report- the sentence "The interest for the 1st five years (added: would be) 1.833% interest. Also; the last sentence of that paragraph should read: The Radio system (\$124,325.00) would be less expensive than the Mission system from a present worth perspective. Another correction is under Operator's Report-John Scrivens: The last sentence should read-The Authority directed that a generator should be included in the Well 6 project. **Motion carried with additions and corrections.***

Payment of Bills: All members received a copy of the bills and receipts for November, which totaled \$81,645.77, from the operating funds. *John O'Brien moved to pay the bills for November; with a second by David Richards.*

Motion carried.

Payment of December's Bills: *John O'Brien moved to pay the bills for December with the Chairman's or the Treasurer's authorization; with a second by Charles Krall. **Motion carried.***

Public Comment: None

Engineer's Report: Deepthi Kalyanam of Buchart-Horn reported they need authorization to advertise for the bids for the water improvement project. Solicitor Battersby explained the conference call with Pennvest legal representatives who went through the Pennvest loan offer; and informed the Authority they did not qualify for the 30 year loan. We need a signed contract with a successful builder before the Authority can settle the loan with Pennvest. Solicitor Battersby introduced Donna Kreiser who will be the Bond Counsel; she will be putting together all the necessary paperwork for Pennvest for the closing. Solicitor Battersby also explained there are legal papers that will need to be filed with DCED and we will need a resolution to show proof that the Authority has the means to pay the money back on the loan; and the Borough Council of East Berlin will be backing the loan. The bid will include rebidding the control system, include the flow meter for Well #1 and the sensor for Well #5. Looping of the water main at East Lynn Drive to Harrisburg Street was suggested to be bid as a base bid and the remaining water main replacement as an "add alternate". *A motion was made to advertise the bid was made by Charles Krall with a second by John O'Brien. **Motion carried.***

Deepthi also presented a proposal of \$135,000.00 for the Water System Improvement Project Agreement Amendment 1 (Proposal # 31792) which includes: 1. Additional design & financing assistance for \$36,000; 2. Bid phase services for \$12,000; 3. Construction administrative services for \$39,000; and 4. Periodic project representative services for \$48,000. *A motion was made by Charles Krall to accept the proposal for the Water System Improvement Project Agreement Amendment 1 with a second by John O'Brien. **Motion carried.***

Deepthi drafted a letter to Andrew Dehoff of the Susquehanna River Basin Commission (SRBC) and requested authorization to send the letter and enclose a check for \$9,940.00 related to the aquifer testing plan and the

groundwater withdrawal applications. *David Richards made the motion to send the letter and check for \$9,940.00 with a second by John O'Brien. Motion carried.*

Bruce Hulshizer sent an email stating he would not be at tonight's meeting but he sent his comments concerning the red line markup of the agreement with Reading Township. In his email, he suggested the sewer downstream of the Reading connection should be televised to confirm the condition of the lines. He received two quotes for cleaning and televising downstream of the Conewago Park and Lauchman' Bottom connections. The lowest quote (Mr. Rehab) is \$3,500 assuming EBAJA staff provides traffic control as needed. If the televising shows repairs are needed then the Authority may want the repair costs considered in the agreement. There was discussion on televising the lines before Reading Township connects and if the Authority has enough signs and flagging equipment; and whether we could borrow from neighboring areas. *Charles Krall made the motion to accept Mr. Rehab's proposal for \$3,500; with a second by John O'Brien.* David Richards presented a hand out to inform the Board of the article in the Evening Sun concerning McSherrystown's project of the borough's sanitary sewer lines that were checked and cleaned. He suggested we do something similar as McSherrystown. The reverse side also had information concerning Governor Corbett's considering reducing future pension benefits for current PA state employees. **Motion carried.**

Solicitor's Report: Solicitor Battersby again introduce Donna Kreiser of McNees, Wallace and Nurick as Bond Counsel. Donna also introduced Tim Worsler. Ms. Kreiser stated they register on the Pennvest website for our project. She stated Pennvest now does everything on line; and she showed the Board a list of all the documents that need to be completed for our project before the Authority can close the loan. The funding offer is required to close within 182 days. She recommended that the Authority close on May 1, 2013. There is one critical document that is needed from the East Berlin Borough and that is the loan guarantee. The Borough will have to advertise an ordinance to guarantee the loan for a maximum amount of 1.6 million dollars. It was suggested meeting with the Borough to work on the debt proceedings; and then have the ordinance adopted at the February 6th meeting. The Authority will need an authorizing resolution and a reimbursement resolution which could be adopted at their February 7th meeting. It was questioned on the time frame for advertising the ordinance. Ms. Kreiser stated for the LAGUTA purposes the ordinance can be advertised no more than 30 days prior or no less than 3 days. Solicitor Battersby mentioned that this debt is a self liquidating debt and would not affect the Borough's ability to borrow. Ms. Kreiser thanked the Board and left the meeting at 7:45 PM.

Solicitor Battersby reported on the Reading Township red-line version of the agreement. There was discussion on Section 4.1; that a 15 minute intervals of transmission, rather than a whole day readings. Discussion centered on the Authority would be working with Reading Township Municipal Authority and not the individual home owners. David Richards explained his critique of parts of the agreement. They discussed a surcharge of 2.5 times the current rate for 1000 gallons. Solicitor Battersby suggested amending Exhibit A to spell out the surcharge. There was discussion on whether we should be using 300 EDU's or 235 EDU's; Resolution 2010-3 states \$4,015.00 connection fee with usage of 235 EDU's. The discussion continued about how long Reading Township has been stalling on this agreement. Mr. Richards explained the fixed charge and connection fees should not be a part of the debt reduction. He stated the \$4,015.00 connection fee would also apply to Hamilton Township when there would be a lesser amount of the debt to cover. Charles Krall stated the bottom line to this is that if we make a profit on this then we can reduce the rates for everyone.

Treasurer's Report:

Charles Eisenhart reported that our insurance will not be paying for the water line breakage on Third Street and Locust Street by Kinsley Construction. We received a letter stating underground pipes and loss of water is not covered.

He also reported there were 60 delinquent accounts for a total of \$26,674.99.

Charles Eisenhart presented the proposed 2012 budget, noting there were a few new accounts added, in both the water fund and sewer fund. *A motion was made by Charles Krall to accept the water, sewer, CR water, and CR sewer budget for 2013, with a second by John O'Brien.* David Richards pointed out the cross subsidizing of the operating and the capital reserve budgets. **Motion carried.**

Water Fund- Revenues: \$207,749.60; Expenses: \$163,729.84

Sewer Fund- Revenues: \$311,079.40; Expenses: \$223,229.64

CR Water Fund- Revenues: \$41,109.00; Expenses: \$0
CR Sewer Fund- Revenues: \$244,782.00; Expenses: \$263,160.36

Mr. Eisenhart requested the Board's approval to cash in a Certificate of Deposit of \$6,296.00. At June's meeting, the Board approved the redemption of the Certificate of Deposit of \$157,566.00; which was held off cashing it in; so that the interest would not be lost on the CD; they will come due on 12/19/12. These CD's will be deposited in the CR water fund. *A motion was made by Charles Krall to cash in both CD's; with a second by John O'Brien.*

Motion carried.

New Business: All members received a copy of the draft policy for the use of the Rapid Response system. *A motion was made by Charles Krall to table this until next meeting; with a second by John O'Brien.* **Motion carried.**

Nathan received a quote from Tom Parichuk Paving to black top the two areas on Locust Street for \$2,450.00. Chairman Mummert stated this was part of maintenance of fixing the water lines and questioned whether we would need the Board's approval for this expense. It was suggested to get additional quotes and use the lowest responsible bidder.

A motion was made by David Richards to use the lowest responsible bidder; with a second by Charles Krall. **Motion carried.** The Board received the tentative schedule for the 2013 meeting dates. July's meeting would fall on July 4th. The Board decided that the meeting would be held on July 11th at the same time.

Old Business: Everyone received a copy of estimated prices to fix or replace valves

Operator's Report:

Nathan Boyer-nothing to report.

John Scrivens-reported they will be taking the nitrate samples for this quarter.

Correspondence:

- CHAR newsletter
- Email from David Richards concerning assignment of new water capital costs (all members received copy)
- Email from David Richards concerning Reading Twp draft agreement (all members received copy)
- Adams Co. Conservation District letter; our plan in Hamilton Twp. is now adequate.
- PA Municipal Authorities Association letter concerning 2013 Annual Conference
- Email from David Richards concerning Rapid Response System draft policy/agreement (all members received copy)

The next scheduled meeting will be January 3, 2013 at 7 PM.

There being no further business, *Charles Krall made a motion to adjourn the meeting; with a second by John O'Brien.*

Motion carried. Meeting adjourned at 8:58 PM.

Respectfully submitted,
Hannelore B. Furst,
Secretary EBAJA