

Weaverland Valley Authority

Meeting Minutes

May 1, 2017

The Board of the Weaverland Valley Authority (“Authority”) met at the East Earl Township building 4610 Division Hwy, East Earl, Lancaster County, Pennsylvania on May 1, 2017. Chairman Ken Witmer called the meeting to order at 6:30 p.m. and informed all present that the meeting was being recorded by a resident.

The following Board members were present: Ken Witmer, Jerrene Zimmerman, Jason Firestine, Scott Marburger and Scot Ash. Also present were Bradford J. Harris, Good & Harris LLP; Jeff Sweater, ELA; and Denise Bensing, Administrative Assistant.

MINUTES: A motion was made by Scot Ash, seconded by Randy Miller, that the minutes of the April 3, 2017 and April 20, 2017 meetings be approved as submitted. The motion carried unanimously.

PUBLIC COMMENT:

Ken announced that the public comments period will be limited to 30 minutes and each person will be given 3 minutes.

Ed McDevitt, 415 Spring Grove Rd. – How was this all started and how can he get the information? *Jeff said all the information is in the 537 Plan which is available on the East Earl Township and Terre Hill borough website. The (informational) letter mentions well water but DEP said well water doesn’t matter to them. Well water is tested to determine if a septic system is failing.*

Tom McDermott, 1442 Hayfield Dr. – What is the letter? *Ken explained that the letter is a letter to inform residents what is going on.*

Robert Hare, 416 Spring Grove Rd. – Mr. Hare would like to urge the board to pick the most fiscally responsible options. He understands that most of the East Earl customers have grinder pumps and those pumps are owned and operated by the Authority. He would ask for theirs to be treated the same. *Jeff explained that in approximately 1986, East Earl Sewer Authority received a grant that paid for the grinder pumps. He asked the board to be compassionate because many of the people in this area are on fixed incomes.*

Ed McDevitt, 415 Spring Grove Rd. – If the property owner gets a loan to connect to the sewer, is the loan transferrable if the house is sold? *Jeff said he does not think it is. After being connected to the public sewer, do the present systems have to be filled in? Jeff noted that they must at least be pumped out.*

Tom McDermott, 1442 Hayfield Dr. – Where would the pumps be located because most of the properties now have the septic systems in the back? *Jeff explained that it may be most cost effective to go out the front but if the property owner would like to go out the back they can.*

Ed McDevitt, 415 Spring Grove Rd. – The third reason listed for building the treatment plant, is for future growth. Where would that growth be? *Jeff explained that there are properties in the area that are zoned for growth.*

Joanne Gillis, Goodville – Joanne would caution using an incorrect statement that the wells are contaminated by septic systems. Public sewer can go in and the wells could still be contaminated.

John Cox, 1425 Hayfield Dr. – Why are the residents of Hayfield and Ironstone Dr. being required to connect when nobody’s system on Hayfield Dr. is failing system? He and his neighbors don’t know why they have to pay for Terre Hill. How is this benefitting them? *Jeff explained that the goal of the state is to get all properties on public sewer. The benefits would be that public sewer increases the value of the land and cleaner water in the area.*

Ed McDevitt, 415 Spring Grove Rd. – Has this board ever thought of changing the plans? *Jeff noted that changing the plan cannot be done.* DEP said they don't care how it is done. *Jeff explained that DEP's stance is that as long as the areas are sewerred, they don't care how it is done.*

ADMINISTRATIVE REPORT:

Denise reported that copies of the letter to be sent out are available on the back table. She also explained that Harold recommended contacting Yoder's Printing to do the mailing. Yoder's would print the letters, print addresses on the envelopes, fold and insert the letters and prepare them for the mail house for \$325.20 if Denise provides the paper and envelopes already purchased. They would then use a bulk postage rate to mail them at a savings of approximately \$325.00. This service can be used as long as the property address doesn't need to be noted on the letter. It was recommended by a resident to add a block with all the streets affected. It was also recommended to add a date. Denise will look into adding the streets affected and will add a date before the letter is sent out. Scot Ash made a motion to use Yoder's Printing to do the mailing, seconded by Jerrene Zimmerman. Motion carried unanimously.

FINANCIAL REPORT:

The Financial report was read with \$39,827.83 in bills for approval.

Business Checking – Fulton Bank

\$163,401.39

A motion was made by Randy Miller to approve the financial report and pay the bills, seconded by Scot Ash. Motion carried unanimously.

ENGINEER'S REPORT:

Rules and Regulations Committee: David Busch will review the draft regulations to make sure there are no additional conflicts. Brad will also review them to check for any glaring legal conflicts. There are still items that need to be created before the Rules and Regulations are adopted, such as final policy on grinder pumps and ownership of water meters and metering wells. ELA has a punch list of items that must be completed which will be provided to the Authority after the above reviews have been completed.

Rate Study: Jeff explained that in order for David Busch to do an accurate rate study, he needs a combined budget. Jerrene asked if he is looking to present definitive rates to the board. She assumed he would provide a general rate analysis for the board to work with. Jeff noted that the Authority needs a definitive rate to merge. Ken thought the budgets provided to him would be able to be merged together to provide the numbers necessary to do the rate study. Jeff explained that he can use the budgets provided but it wouldn't take into account and cost savings from merging the two systems. Scot feels it would be a grave mistake to set rates based on an anticipated savings. Randy felt the conservative way to go about it would be to not anticipate savings. Jeff explained that David will establish rate models for the next 5 to 6 years that will ramp up rates to where they need to be. Scot feels the WVA needs to establish rates to become operational before they worry about rates in the next 5 years. Robert Hare asked who hired the financial consultant and why is the engineer working with the financial consultant to get answers. The Authority is getting double billed having the engineer handle the questions. Ken explained that Jeff is working with David so that David doesn't have to attend all the meetings. Jerrene expressed her disappointment with what the board received at the last meeting. She feels he just regurgitated the budget information that was provided by Denise and Terre Hill Borough. Jeff was asked to provide David with figures for owning the grinder pumps and not owning the grinder pumps. Jeff explained that David is used to working with a subcommittee to get answers to the questions he has. Nelson Groff feels it is a waste of money communicating through the engineer and wanted to know if going forward if he will communicate through Denise. The board would like to see a rate with ownership of grinder pumps and a rate without grinder pumps. Jeff also asked if the board would like the rate to include paying the engineering costs on the line of credit. The board agreed they would like the line of credit included in the rate. The board asked Denise to have direct communications with David. Denise will contact David with the board's request.

Property Acquisition: Bob Rissler is willing to talk to property owners regarding easements from the Terre Hill wastewater treatment plant to Union Grove Rd. Obtaining the easements and constructing the force main through the fields would cost less than the original route assessed in the 2015 Joint Act 537 Plan. The board agreed to have Bob contact the property owners.

Project Design and Permitting: USDA funding requires that all equipment be kept out of the 500-year floodplain. ELA is working on the layout and site grading to meet this requirement.

Valley View Drive Low Pressure Sewer: Jeff explained that the Valley View Drive property owners attended the East Earl Township meeting on April 11th and stated that Valley View Drive is not a public road and these properties should be exempt from connection. ELA did some research and found that Valley View Drive is a private drive owned by Mr. Dise. The private drive appears to have no shared access agreement recorded. ELA feels there are four options. 1. Purchase an easement from Mr. Dise. 2. Condemn property along Valley View Drive. 3. Acquire an easement from the farm north of Valley View Drive. 4. Do nothing to force them to connect. With this option, in the future, if any one of these properties need sewer, they would need to extend sewer at their own expense. The most cost effective option would be #4. Joanne Gillis asked if not doing anything would be in violation of the 537 Plan. Jeff said he will check with DEP to see if there is an issue with compliance with the consent order if these properties are not connected. He will get something in writing from DEP regarding the properties.

Nelson Groff responded to Mr. McDevitt's comment that DEP doesn't care about wells. Nelson spoke with DEP and they told him that testing wells is done to determine if on-lot systems are failing. Mr. McDevitt said he spoke with Beth and a neighbor spoke with somebody else at DEP and they both said DEP doesn't care about wells. Mr. McDevitt also said that DEP said the plan can be changed. Jeff explained that it can be changed but if it were to be changed the municipalities would not be able to meet the consent order deadline dates.

Spring Grove Rd. Sewer Analysis: Jeff explained that ELA feels that, given both analyses, in the end, the differences would be similar. He did note that the sewer installation was not assumed to be directionally drilled. ELA based their estimates with open cut in the plan which is cheaper than drilling. EESA construction specifications were not used for construction costs because they differ from THB. O & M costs for all options were based on average costs from the Water Environment Research Foundation studies since THBA and EESA did not have O & M costs broken out.

USDA Funding: ELA met with USDA on April 27th. They discussed the Spring Grove Rd. options. USDA explained that if the 20-year present worth analysis is significant between options, then USDA would only allow funding from them to be used for the lowest cost option. If the Authority uses USDA funding to purchase the pumps, then WVA must operate and maintain the grinder pumps. The Authority would be able to purchase the grinder pumps in bulk. The option to purchase the grinder pumps would still be \$250,000-\$500,000 less than gravity. The USDA representatives felt that applications finalized this year would most likely not be impacted by the 2018 federal budget. The USDA would like to meet with some of the board members to discuss the loan process and documentation needed. Ken said he would be available most afternoons. Denise will contact Harold to find out if he would be available to attend.

John Cox, asked how much the grant would change the cost for residents. *Jeff explained that this meeting is in regards to loans because the Authority is not able to apply for grants yet.*

SOLICITOR'S REPORT: Brad announced that the board will hold a brief executive session at the end of the meeting to discuss real estate acquisitions.

DAY-TO-DAY COMMITTEE:

Permanent Solicitor – Ken reported that the committee would like to recommend Frank Mincarelli of Blakinger Thomas as the on-going solicitor. A motion was made by Scot Ash to appoint Frank Mincarelli of Blakinger Thomas as the solicitor for the Authority, seconded by Randy Miller. Motion carried unanimously.

Operational Engineer – Ken reported that the committee would like to recommend Gary Martin of Becker Engineering to be the operational engineer. Robert Hare asked what the advantage is to having another engineer. Ken explained that Gary is the engineer for the East Earl Sewer Authority system and is very familiar with the system. Mr. Hare does not hear any basis for these recommendations. Ken explained that Brad Harris is also the solicitor for Terre Hill Borough and there will be negotiations between the Authority and the Borough to transfer the assets to the Authority. When the committee discussed engineers, they took into account Gary's knowledge of the East Earl system. Joanne Gillis said personally she feels Jeff is good at designs but Gary has an intimate knowledge of the East Earl System. Randy Miller made a motion to appoint Gary Martin of Becker Engineering as the operations engineer to handle operations after the assets are transferred, seconded by Scot Ash. Motion carried unanimously.

Ownership of Grinder Pumps – Ken explained that since the entire board isn't present that he will not take a vote at this time. He did report that the committee has discussed ownership of the grinder pumps extensively and is prepared to recommend the Authority own and maintain the grinder pumps. Ken asked for a show of hands for those in favor of ownership of the grinder pumps. Scot Ash, Ken Witmer, Scott Marburger, and Randy Miller all raised their hands in support of ownership of the grinder pumps. Jason Firestine and Jerrene Zimmerman raised their hands in opposition to ownership of the grinder pumps. Ken discussed with the board a situation that Harold was told about regarding a home owner with a grinder pump issue. The home owner made numerous calls to plumbers in an attempt to find one to work on it. After some time, one of the first plumbers contacted agreed to come out and look at it at a rate of approximately \$48.00 per quarter hour.

Letter to Terre Hill Borough (Leasing of Personnel) – The committee drafted a letter to be sent to Terre Hill Borough to request the leasing of personnel from Terre Hill Borough. Scot Ash made a motion to approve the letter and send it to Terre Hill, seconded by Jason Firestine. Motion carried unanimously.

Website – The committee feels it is important for the Authority to have a website independent of the Township and the Borough. Denise contacted a local person to develop a site and received a quote of \$350-\$500 to develop the website and a cost of approximately \$60 per year for a hosting fee. Jerrene Zimmerman made a motion to approve having Shannon Seip create an Authority website for \$350-500 with hosting fees of \$60 per year, seconded by Scott Marburger. Motion carried unanimously.

OLD BUSINESS:

Adopt Rules and Regulations – It was noted that the Rules and Regulations are not ready for adoption at this point. It was asked if they have been compared to the current Blue Ball Water and East Earl Sewer Regulations. It was also noted that the Developer Specifications still need to be completed. Denise reported that during a conversation with the auditor, Linda Fox, felt the Rules and Regulations should be reviewed by the operational engineer. Linda Fox also feels it is important for the operational engineer to review the rate study before it is adopted. Scot Ash made a motion to have Gary Martin at Becker Engineering review the Rules and Regulations, seconded by Scott Marburger. Motion carried unanimously. Jeff asked if he should continue to attend the meetings. The board agreed that Jeff should continue to attend until the transfer of assets.

Assignment and Assumption Agreement and Resolution – Brad distributed the resolution. Randy Miller made a motion to accept the resolution and authorize the execution of the Assignment and Assumption Agreement, seconded by Jason Firestine. Motion carried unanimously.

Jerrene asked how the preparation of the other documentation is proceeding. Brad reported that it is in process. He will have Frank speak to the bank regarding the transferring of the loan. Scot asked if Terre Hill has determined how and what they will be transferring. Brad explained that Terre Hill asked for David Busch's input and they are waiting for a response. Ken expressed his opinion that if there are vehicles then the Authority should receive at least one vehicle. He also feels in regards to the properties that the Authority should get ownership as much as possible and for the properties shared with the Borough, only easements are needed. Jeff explained that leasing the facilities is also a possibility with a 100 year lease at no cost or very minimal cost. He explained that a reason for a lease instead of an easement is if the sewer system would change and the facilities would not be needed, the Authority could give it back to the Borough. Jeff also noted that the Borough may be more interested in leasing because they have communication antennas on the water tower. The board expressed their opinion that

the towers and antennas should be turned over to the Authority. Scot is concerned that David Busch is doing work for Terre Hill. He feels that Terre Hill should be billed for this service.

Tom McDermott asked why an executive session is being held to discuss land acquisition. Brad explained that the Sunshine Law allows executive sessions to be held to discuss land acquisition.

The board moved to an executive session at 8:50 p.m. for the purposes of discussing real estate acquisitions. The meeting will be continued on May 16, 2017, beginning at 6:30 p.m.

Respectfully submitted,

Denise A. Bensing

Cc: Scot Ash
Harold Kilhefner
Scott Marburger
Randy Miller
L. Eugene Pierce
Kenneth Witmer
Jerrene Zimmerman
Jason Firestine
Bradford J. Harris, Attorney
East Earl Township
Terre Hill Borough
Robert Rissler
Jeff Sweater, Consulting Engineer
Gary Martin, Becker Engineering
Frank Mincarelli, Blakinger Thomas