

**MINUTES OF THE ANTRIM TOWNSHIP MUNICIPAL AUTHORITY
REORGANIZATION AND JOINT MEETING WITH THE
ANTRIM TOWNSHIP BOARD OF SUPERVISORS OF JANUARY 30, 2012**

The Antrim Township Municipal Authority met Monday, January 30, 2012 at 7 p.m. in the Antrim Township Municipal Building for their annual reorganization meeting along with a joint meeting with the Antrim Township Supervisors. The following Authority members were in attendance: Rodney Eberly, Chad Murray, Elwood Myers, Bob Schemmerling and Richard Baer, member of the Board of Supervisors, newly appointed member of the Authority. Also attending were Linus Fenicle, Solicitor; Brad Graham, Township Administrator; and Carl Rundquist, Public Works Director. Audience members included Garry Brennan.

Vice-Chairman Eberly called the meeting to order at 7:00 p.m.

On a Baer/Murray motion, passed 5-0 (Eberly abstained) Eberly was appointed temporary Chairman for the purpose of reorganization.

On a Myers/Murray motion, passed 4-0-1 (Eberly abstained) Eberly was appointed Chairman.

On a Baer/Myers motion, passed 4-0-1 (Murray abstained) Murray was appointed Vice-Chairman.

On a Murray/Baer motion, passed 4-0-1 (Myers abstained) Myers was appointed Secretary.

On a Murray/Myers motion, passed 4-0-1 (Baer abstained) Baer was appointed Treasurer.

On a Baer/Murray motion, passed 4-0-1 (Schemmerling abstained) Schemmerling was appointed assistant Secretary/Treasurer.

On a Baer/Murray motion, passed 5-0, Linus Fenicle was appointed Solicitor.

On a Murray/Myers motion, passed 5-0, the three engineering firms from last year were reappointed to serve the Municipal Authority on various projects. They are Brinjac Engineering; Dewberry; and Martin & Martin.

On a Myers/Murray motion, passed 5-0, Rundquist was appointed Authority liaison and Graham was appointed Authority assistant liaison to the Board of Supervisors.

Garry Brennan introduced himself to Authority members offering his firm's (Duffield & Associates) services. He asked if his firm could be included on the Request for Proposal list for any upcoming projects.

Antrim Township Supervisor Fred Young III, called the Board of Supervisors to order at 7:08 p.m. Those present along with Young, included Pat Heraty and John Alleman. Supervisor James Byers was absent from the meeting and Baer was present as a Municipal Authority member.

Administrator Graham stated that the purpose of this Joint Meeting was to discuss the proposed changes to the

Agreement of Lease with Antrim Township Municipal Authority as Lessor and the Township of Antrim as Lessee.

Graham noted the following changes: Page 4 – "Lease Year" – means the period beginning January 1 and ending December 31 and shall also mean the period from the original effective date of this lease to and including December 30, 2012; and the period beginning January 1, 2020 and ending May 1, 2020. Graham explained the change to the term "lease year" allows the audit to be done on a calendar year

rather than a fiscal year basis, also allowing better management of the cash flow and bank loan payments. Graham stated that changes to the lease year would have to be confirmed by the auditor;

Page 4-“Obligations” – means any and all obligations under this lease including but not limited to, operating expenses, administrative expenses and any and all bonds or notes issued to finance or refinance capital additions to the sewer system. The change to the term Obligation will be clarified and be more inclusive, according to Graham;

Page 10 – Addition to Section 5.02. Application of Moneys – will include the wording “in addition, monies in the sewer revenue account shall be used to pay off any and all loans made by the Township to the Authority;”

Page 11 – Change Section 6.01. Rentals and Times of Payment – The Township covenants to pay as minimum rentals the annual auditor expenses of the Authority. This is due to not have to establish another account to be tracked; and

Page 12 – Addition to Section 6.02. Additional Annual Rental from Remaining Revenues – “Notwithstanding anything above to the contrary, the Township may, at its discretion, retain funds in the sewer revenue account and not transfer the funds to the capital improvement account if the Township believes it shall need the money for current or future operating expenses.

Schemmerling responded that the sewer revenue account is still open-ended in the bank account and that the Authority never had capital revenue and when it came to capital improvements the Board initiated it leaving the situation the same – the Authority does not have any funds to plan for projects. Schemmerling continued that the BOS thinks of the Authority as “advisory” not as a working authority and needs to modify the lease agreement to account for that. The plan and the budget are still controlled by the Board, continued Schemmerling.

Baer thought the Authority should have a five-year or 10-year plan to be able to give the Board direction for those projects. With Rundquist now on staff, Baer thought that a plan should be forthcoming. Chairman Young added that he would like to see more capital improvements initiated by the Municipal Authority.

Supervisor Heraty saw the lease agreement as a short term fix to a long term solution for both sewer and water, remaining as “status quo” with a few “tweeks” to eventually allow the Authority to be an “Operating Authority.” He thought the Authority should develop capital improvement projects until they become an Operating Authority or until the end goal is reached – becoming a community water and sewer system with Greencastle.

Young thought the lease agreement was best for the short term until it is decided on how to get to a combined system. Heraty thought that by keeping the lease agreement the way it is now was the easiest way to get to the goal.

Schemmerling asked if the Board had any capital improvement projects proposed for this year as even if the lease is a short term lease these capital improvement projects will still be the Board’s decision in the end. Schemmerling said that the Authority is the owner of the system but doesn’t have ownership, which he would like to see resolved.

Myers said that if the Authority would fail, the Board of Supervisors would be the responsible party, to which Schemmerling agreed but said that there are no documents, including the lease agreement that specifically say that.

Young replied that he thought that it was clearly inferred or implied in the old lease agreement that the Board of Supervisors are ultimately the responsible party. Schemmerling said that responsibility should be made clear or spelled out in the new lease agreement. Young asked Solicitor Fenicle to draft

wording as to responsibility into the lease agreement which would then be reviewed by the Municipal Authority and also reviewed by John Lisko, Solicitor to the Board of Supervisors prior to the Authority's next meeting February 27, 2012.

On a Murray/Myers motion, passed 4-0-1 (Baer abstained) conditional approval was given for the Lease Back Agreement (Agreement of Lease) with the proposed changes offered by the Board of Supervisors as listed above and providing wording that clarifies the responsibility of the Township (Board of Supervisors) to the Capital Improvement Fund with input from the Municipal Authority in reference to that fund.

On an Alleman/Heraty motion, passed 3-0-1 (Baer abstained) the Board of Supervisors agreed to the proposed lease agreement with the authorized changes with the Authority to author, through their solicitor, wording in the agreement clarifying the responsibility of the Township to the Capital Improvement Fund with input from the Municipal Authority to that fund.

Eberly expressed his thanks for the discussion with the Board and was glad that the sitting Board agreed with his vision for a community system as it would be better for the entire community.

An Alleman/Heraty motion passed 3-0-1 (Baer abstained) to adjourn the Board of Supervisors from the meeting at 8:05 p.m. with the Authority continuing its regular meeting.

On a Murray/Myers motion passed 4-0-1 (Baer abstained) the meeting minutes of December 19, 2011 were approved as written.

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On a Myers/Baer motion passed 5-0, the Treasurer's Report for Water along with the payment of bills was approved.

On a Baer/Myers motion passed 5-0, bills from the Repair and Improvement Account were approved for payment.

On a Myers/Baer motion, passed 4-1 (Schemmerling voted "nay") Nextow Properties LLC, Land Development Plan, Molly Pitcher Highway, was tentatively approved as Authority members wanted to make sure there was no requirement that addresses a private lateral being located under a building. Chairman Eberly will sign the plan once the lateral requirement is researched.

On a Myers/Eberly motion, passed 5-0, Null Machine Shop, Land Development Plan, Commerce Avenue, was approved.

Public Works Director Rundquist reported that there are outstanding issues that need to be addressed prior to accepting the Deed of Dedication for sewer lines at the ATAPCO property. Those issues include the repair of Manhole 1960A-02B and line cleaning downstream.

On an Eberly/Murray motion, passed 5-0, an Amendment to Paragraph 110-36 Sewer Rentals and Charges, submitted by Rose Knable, sewer billing clerk, was approved. Upon further discussion, Eberly rescinded his motion to further amend/clarify the ordinance.

On an Eberly/Murray motion, passed 5-0, an Amendment to Paragraph 110-36 Sewer Rentals and Charges by Ordinance Number 174 was approved as noted in addition to clarifying the 180-day vacancy policy and a note that if it isn't the Township's public water, Greencastle Area Franklin County Water Authority must notify the Township when the water has been disconnected and re-connected.

On an Eberly/Baer motion, passed 5-0, a request from the property owner at 454 Moss Spring Avenue to be waived from payment of a sewer bill due to vacancy, was denied. Staff was authorized to contact the owner and notify him of our 180-day policy as the water was not turned off until 1/9/12. Sewer will be discontinued after the 180-day waiting period has expired on July 6, 2012. It has to be confirmed by

letter from the Greencastle Area Franklin County Water Authority that the water has been disconnected. On an Eberly/Myers motion, passed 5-0, a request for a sewer bill discontinuance for 14231 and 14233 Molly Pitcher Highway was approved as the dwellings on the above properties have been demolished.

Rundquist reported that he had been reviewing Act 57 and found the most recent tapping fee calculations, from 2009, which determine the maximum charge allowable under Act 57. He is working on preparing a chart showing a comparison of tapping fees.

Rundquist reported that a public hearing for Green Spring Valley PRD, who is requesting permission to have a private water supply for this development, has been continued before the Board of Supervisors until March 20, 2012 at 7:30 p.m.

Rundquist reported that the engineer for Nottingham Meadows reported that there were very few as-builts for water lines in this development. The engineer was asked to do a field check of the lines and bring that information to the Authority in preparation for the Deed of Dedication.

Rundquist continued his report by saying that operations at the wastewater treatment plant continue as normal and said that he did not have the flow data available for this meeting for the lift stations.

Rundquist reported that the Department of Environmental Protection had visited the water plant for a regular Filter Plant Performance Evaluation (FPPE) review and met with officials at the office and had given a satisfactory rating. Otherwise operations continue normally.

On a Myers/Baer motion, passed 5-0, contract documents for the lift station 3 project are going to be resigned as there is a discrepancy of \$1,500.00 in the contract. The general contract awarded was for \$59,954.00 but the signed contract only shows \$58,454.00.

On a Myers/Murray motion passed 5-0, an extension of time until February 27, 2012 was given to Monacacy Valley Electric, electrical contractor for the lift station 6 project. Authority members noted that this was the third extension of time given for this project and that if work was not completed by February 27, 2012 steps would be taken to insure completion. This electrical problem must be fixed prior to West Penn Power transferring power to the new service and prior to start-up.

Solicitor Fenicle had all deeds of dedication for water and sewer that had been recorded at the Franklin County Courthouse in a disc and book format for Municipal Authority permanent records.

Solicitor Fenicle reported that he had spoken with the attorney for Washington Farms informing him that the Municipal Authority wanted to begin legal proceedings in the form of filing a complaint (equity action) against Washington Farms since deeds of dedication for this property have not been provided. Fenicle was informed that the client wanted to cooperate by providing the as-builts requested within 30 days. Fenicle will begin proceedings if nothing is received within the 30 days.

A decision from the Judge in the Ronca litigation has not been received, but Fenicle thought he could expect the decision any day.

Supervisor Alleman asked if all the fire hydrants shown on the Township map had been checked for flow and stated that the fire department could check those flows, as this is information used by the fire department. Eberly responded by saying he didn't think they had been checked and recommended that it be done, with the requirement that someone from the Township's staff be on site when the testing is done.

On a Myers/Baer motion passed 5-0, the meeting adjourned at 9:40 p.m.

The next meeting of the Antrim Township Municipal Authority will be Monday, February 27, 2012 at 7 p.m.

Respectfully submitted,

Joyce A. Nowell

Recording Secretary