

BENNER TOWNSHIP WATER AUTHORITY

REGULAR MEETING

March 16, 2010

ATTENDANCE:

AUTHORITY MEMBERS PRESENT: Mark Capriani
Steve Lanich
Gary Shultz
Andrew Swales

OTHER ATTENDEES: Warren Miller – SBWJA
Kelly Gill – SBWJA

CONSULTING ENGINEER: Charles Stover, HRG Intern

CALL TO ORDER:

The March 16, 2010, Regular Meeting of the Benner Township Water Authority was called to order at 6:32 P.M. by Andrew Swales, Vice Chairman.

APPROVAL OF MEETING MINUTES:

The Minutes of the January 19, 2010 regular meeting were presented for review. **Mr. Shultz moved, seconded by Mr. Swales to approve the Minutes of the January 19, 2010 Regular Meeting as presented.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

TREASURER'S REPORT:

Mr. Lanich reviewed the Treasurer's Report as presented. The total balance as of February 28, 2010 for both bank accounts is \$141,302.82. **Mr. Swales moved, seconded by Mr. Shultz to approve the Treasurer's Report as presented.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

Mr. Swales asked the Board if there were any questions regarding the Paid Checks or Bills by Vendor submitted for approval. **Mr. Swales moved, seconded by Mr. Shultz to approve the Paid Checks in the amount of \$8,008.49 and Bills by Vendor in the amount of \$1,087.09.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

SBWJA REPORT:

State College Borough Water Authority (SCBWA) – Mr. Miller informed the Board that Jack Rimer previously served as the Benner Township Water Authority's liaison to the SCBWA and the position has been vacant since Jack's resignation several years ago. Mr. Miller explained that the non-voting position would involve attending the monthly meeting on the third Thursday of each month at the SCBWA offices on West Branch Road. Mr. Lanich and Mr. Shultz indicated they would like to alternate this position if acceptable with the SCBWA. Mr. Miller will contact the SCBWA to discuss the possibility of alternating the position and to inform them of Mr. Shultz's attendance at their meeting later this week.

Well Level Trending Charts – Static Well Level Trending Charts for both the Hampton well and Opequon well were provided from the takeover of the system (2007) through present day.

Mark Capriani entered the meeting at 6:44 p.m.

Opequon Well – Mr. Miller suggested the Board may want to consider turning off the Opequon well and simply running the Hampton well for a trial period. Mr. Miller believes the Hampton well will be able to keep up with the system; however, it would run approximately 18 hours/day, which is better for the pump. Mr. Miller also indicated he believed our Authority could realize a savings in electricity by turning off the Opequon well. Mr. Swales stated that he believed this was acceptable as long as the Authority didn't exceed the permitted yield for the well. The Board suggested turning off the Opequon well for a trial period to determine the status of the water level in the well.

Edward Drive/Reichenbaugh Lane – The notices regarding the availability of water service were delivered to each property as discussed during the previous meeting. A couple of residents have contacted the Authority for more details; however, we haven't received any requests for service. Benner Township has confirmed that they received a few telephone calls regarding the intent of the notices.

Village of Peru – After the last meeting, Mr. Miller contacted Rockview's current Superintendent, Frank Tennis, regarding the existing agreement between the Commonwealth and Benner Township on behalf of the Village of Peru. Mr. Tennis indicated the Commonwealth is aware of the problems with the existing infrastructure and welcomed the idea of our Authority upgrading and taking over the system. Mr. Tennis also indicated that he is retiring soon; however, he will notify the incoming Superintendent of the situation.

Mr. Miller, Mr. Lanich and Mr. Eby attended the Benner Township Supervisors meeting on 03/01/2010 to discuss the existing agreement, along with their solicitor, Tim Schoonover. Benner Township has appointed the Authority to negotiate an agreement to provide the necessary support in applying for CDBG monies through the Centre County Planning Office. As a result, an income survey has been distributed to each resident of

Peru with a due date of 03/12/2010. Approximately 75% of the income surveys were returned to the Planning Office and based on the surveys completed to date, the project would be grant eligible. The County will also require a letter or agreement from Rockview stating they fully intend to provide potable water to the Authority (Township).

Mr. Miller stated that we will be applying for approximately \$200,000 from the County through the CDBG program over a two year period. Mrs. Gill indicated that if the County awards any grant monies for the project, we could then apply for matching grants at the State level.

May Board Meeting - Mrs. Gill informed the Board that we received notice from Benner Township that the Board of Elections will be using the Board room on 05/18/2010 for the primary election; therefore, we'll have to find another location for our meeting. Mr. Miller suggested we could have the meeting at the picnic pavilion as we have in the past.

Hampton Well – Approximately two weeks ago the Hampton Well failed and the pump needed replaced. The spare pump the Authority had for the well did not operate properly and a new pump was purchased through Oscar DeArmit Well Drilling. The spare pump appeared to work at first when tested (20-22 gpm), but after placing the pump in the well and running a few minutes, the pump dropped to 4 gpm. Mr. Miller stated this pump will be sold for scrap.

Hampton Hills Resident – Mrs. Gill informed the Board that she received a telephone call from a resident of Hampton Hills on 03/16/2010 complaining of her water bill. The resident indicated she has minimal consumption and was requesting a minimal usage bill. Mrs. Gill reviewed the customer's history and determined the consumption has dropped off, but there were several instances where the usage was just below the 15,000 gallons per quarter allotment.

SOLICITOR'S REPORT: Mr. Campbell was absent from the meeting.

ENGINEER'S REPORT: See the attached Engineer's Report as made a part of these official Minutes.

GUESTS: There were no Guests present.

CORRESPONDENCE: Mrs. Gill indicated there was not any Correspondence presented for discussion; however, there were a few letters included within the Board packets regarding higher than normal water usage and emails pertaining to the Village of Peru.

Grove Park – The Board questioned if there were any new connections in Grove Park recently and Mr. Miller indicated there have been a few. The Authority hasn't been contacted by Garen Smith regarding the takeover of the water system; however, Mr. Miller anticipates contact being made this summer.

OLD BUSINESS:

Flood Insurance Rejection-Mr. Swales inquired about the Flood Insurance Rejection Notice that was provided during the January meeting. Mrs. Gill stated that the Rejection Notice was signed and mailed to the insurance company.

NEW BUSINESS: There was no New Business presented for discussion.

ACTION ITEMS:

-Mr. Miller will contact SCBWA about Mr. Lanich and Mr. Shultz rotating as the BTWA liaison.

Next regular scheduled meeting is April 20th at 6:30 p.m.

ADJOURNMENT:

Mr. Swales moved, seconded by Mr. Capriani to adjourn the meeting at 7:09 p.m. 4 ayes, 0 nays, 1 absent. The motion carried.

Respectfully submitted,



Kelly J. Gill, Recording Secretary

CC: Benner Township 05/19/2010

March 16, 2010

Benner Township Water Authority
1224 Buffalo Run Road
Bellefonte, PA 16823

Re: Status Report - Engineering Activities

Dear Authority Members:

The following summarizes our recent activities on behalf of the Benner Township Water Authority.

Retainer (1494.000)

There were no activities under the retainer agreement in the past month.

Act 57 Tapping Fee Report (1494.007)

Once a reimbursement agreement has been signed by the owner of the Grove Park system and itemized documentation is received to support the cost to construct the system, the draft Act 57 tapping fee report can be finalized.

Peru Feasibility Study (1494.0425)

A Community Development Block Grant (CDBG) income survey is currently underway in the service area. If successful, the County may be able to assist with grant funding. The County has currently received 15 survey forms. Unless 100 percent of the forms are returned, the non-respondents will be counted as "high income" for the purposes of computation. It is critical that all residents respond to the survey.

Solicitor Campbell has expressed some concerns about the project. The issues are as follows:

1. The Authority will have to set up two sets of books, and this is a situation he has not seen before.

Yes, it is likely that additional accounting would be required. But tracking the finances of two rate districts is not uncommon for Authorities.

2. A feasibility study would be necessary and a guarantee would be required that the study be paid for by the property owners.

A feasibility study will be necessary, as we discussed last year. The method of payment would be up to the Authority. However, if the assumption is that the study, and resulting project, is intended to lead to the residents becoming Authority customers, then we feel the study is the responsibility of the Authority.

3. The Spring Township system is closer and more accessible and Peru should be incorporated into the Spring Township system. If that does not work, the residents should form a non-profit corporation.

The Spring Township system may be physically closer, but Peru is in Benner Township and we can see no

reason why Spring Township would be interested in the project. The Authority has (admirably) to date been willing to consider the project, acting on behalf of Township residents living in Peru. Forming a non-profit corporation will not work for a customer base of this size. The residents do not have the administrative or financial capabilities to manage a non-profit corporation. Additionally, without any management structure, resources or the backing of taxing or rate setting powers, such a corporation would have essentially no chance of obtaining government loans or grants.

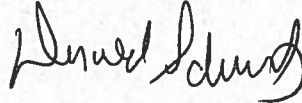
4. The situation is a can of worms because the residents have not paid for water in the past, and some of the property owners are not going to want to pay anything to upgrade the system.

A meeting was held with interested residents and the Chairman in HRG's office last year. The issue of paying for water service, and potential rates, was highlighted. Further involvement with the residents was delayed until it could be determined that a majority were in favor of moving forward on a project. This has now been established with the submittal of the petition. We recommend that either a special meeting be held, or that all residents be invited to an Authority meeting, to fully address Mr. Campbell's concerns. To some extent this is a matter of choice by the residents, but to some extent it is not. If the Authority takes over the Peru system, the residents will be obligated to pay the rate that is established.

We look forward to discussing these and any other issues at tonight's meeting.

Very truly yours,

Herbert, Rowland & Grubic, Inc.



Donald Schwartz
Project Manager

DS/dlp
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