

**MEETING MINUTES OF THE
PLUM CREEK MUNICIPAL AUTHORITY
June 2017**

A regular meeting of the Board of The Plum Creek Municipal Authority was held on June 20, 2017 at the Plum Creek Municipal Authority Business Office Building, South Manheim Township, Schuylkill County, Pennsylvania.

Board members present at the meeting were Tom Nagle, Jim Ridderhoff, Dennis Scharadin, Jerry Weiss, and Matt Gruber. Also in attendance was Dave Bright (PCMA Engineer), Joe Zerbe (PCMA Attorney), Jeff Crawford (PCMA Operations Manager – Select Environmental), Nancy Wesner (PCMA Office), and property owners/LWPOA Board Members Joe Haggarty, and David Tyson.

Jim Ridderhoff called the meeting to order at 6:00 p.m.

The minutes of the prior meeting held in May, 2017 were reviewed and accepted by motion of Matt Gruber, seconded by Dennis Scharadin, and carried by all.

The Treasurer's report for May, 2017 was reviewed and accepted by motion of Matt Gruber, seconded by Jerry Weiss, carried by all.

Jim said the possibility of eliminating sewage operations was discussed at the last meeting because of the huge expenses that are needed to keep the sewage plant in operation. One of the options was to turn pumping in Lake Wynonah over to outside haulers. Jen looked online and in the advertisements section of the phone directory for pumper/haulers, and she was able to come up with 15 names. She sent inquiries to all of them to try to determine their level of interest if pumping was relinquished to private septic haulers. Ten replied that they were very interested in pumping and hauling sewage in Lake Wynonah, 1 letter came back as undeliverable, and 4 had not been heard from as of the meeting. Jim said closing the sewage treatment plant and shutting down pumping operations would be a real possibility now that the PCMA Board knows there will be enough pumpers to meet the needs of the customers in Lake Wynonah. Interested pumpers will allow the PCMA to continue going in the direction of eliminating sewage operations if it needed to.

Joe Haggarty asked if any of the pumpers who responded indicated that they would be interested in being exclusive. Jen said none of the pumpers mentioned being exclusive. Jim said the information that was sent to them indicated that the Authority would open pumping up to all haulers, not just one or a few. Dennis added that a hauler who already has a customer base isn't going to cut all of their

customers loose to pump exclusively in Lake Wynonah. Tom said the premise behind opening pumping up to outside haulers is to create competition which might result in lower costs, and to give the customer a choice to get whoever they want. Joe Haggerty argued that the PCMA should administer the sewage management program (SMP) if the sewage operations end up being closed. Jim said that might be a good idea in theory, if the PCMA continues to exist but, if the sewage plant is closed and pumps are turned over to outside haulers, the Authority won't be in business anymore. Jen said anybody can administer the SMP; the Townships can pick anybody they want to administer the SMP if things turn out that way.

Dave Bright said Joe Haggerty's arguments were premature, and these details aren't something he should be speculating about this point. Dave said there are regulatory aspects that need to be clarified, and certain elements have to go through the PA DEP before any details should be considered. He said there are two problems. One deals with the Sewage Facilities Planning, which is the Townships' responsibility but which designates authority to the PCMA. The other aspect is the permitting, and Dave talked with representatives from both of those DEP departments. The one person he spoke to about permitting sounded like she was very much in favor of the PCMA terminating sewage operations because it's one less treatment plant they'd have to deal with. She said an application would have to be submitted to terminate the water quality management permit for the sewage plant and someone from the DEP would come out to make sure the sewage plant was physically disconnected from operations, and the permit would be terminated. Dave said she made it sound like a relatively simple process. More complicated and involved will be the planning, which requires the Townships. He said he did speak with someone at that DEP group, and that person made the planning part of things sound complicated, but Dave didn't know if the person he spoke to was new in planning. Dave said the process didn't sound that complicated to him, and it just seemed a matter of working out the details. Dave said somebody at DEP is looking into the procedure for moving forward with changing the Sewage Facilities Plan if that's the direction that's taken. He said the details as far as who administers the SMP, whether it's an exclusive contract, or whether pumping is open to anybody, will be something that can be worked out; there are other questions that have to be addressed first.

Joe Haggerty said that moving toward outside haulers might be the right answer but he thought more details should be looked at first, like what the outside haulers might charge compared to what the PCMA will have to charge to stay in business. He said he realized that a lot of money was needed to repair the plant to be able to

keep it in operation, and that the PCMA didn't have the money to do it. Jim said that more than half million dollars is needed to repair the existing sewage plant to keep it running. That figure was worked out by the engineers who physically examined the sewage treatment plant to determine the issues that require repair very soon. Joe Haggerty said, based on the balance on the PCMA's treasurer report, the amount needed would wipe out everything in reserves. Jerry added that it's worse than just wiping out what's in reserves because the PCMA still owes money in loans on the one pumper truck and a loan for repainting the water storage tanks.

Joe Haggerty asked if the amount in reserves is typical of how much the Authority has at any one time. Tom said it's been higher but it's been going down. Dennis added that the Board has been trying to keep rates low for the customers because of the poor economy but, in doing so, the funds have not recovered. He said the former Operations Manager (Mike Stewart) was very good at keeping things running with very little money in order to keep rates lower but they were not long-term solutions. Matt said another problem the PCMA has is that it can't get funding or grant money to make the repairs needed because Lake Wynonah is private and monies available for improvements or funding projects aren't readily given to private communities because it doesn't improve conditions for the general public.

Joe Haggerty asked who prepared the grant application that was submitted on behalf of the PCMA. Dave Bright said his engineering firm did the preparation. Joe Haggerty said he doesn't know anything about sewage but the school districts have people who prepare grants and maybe the PCMA should use them. Tom said the problem with that premise is that school systems, municipalities, towns, and cities are public entities as opposed to the Lake Wynonah development which isn't much more than a private club. He said the state is very reluctant to give grants to places like Lake Wynonah because it would be enriching a private entity with taxpayer money that doesn't benefit the public sector. Joe Haggerty said Lake Wynonah is a municipality. Tom said no, it is not – it is a private entity. Matt added that the PCMA gets no funding in any way from either of the Townships. Tom added it's the same for the people who own property in Lake Wynonah. The community gets no monies from the Townships because they will not put public money into a private entity. Dave Bright said the other negative factor in regard to applying for grant money is that there is no commercial benefit to any public money going into the PCMA for use in Lake Wynonah because it's all residential, and that's one of the things that's often taken into consideration – how many jobs will be created and how many businesses might benefit. In the case of putting grant money into Lake Wynonah, there would be no benefit in regard to jobs and business benefits.

Joe Haggerty said he thought that the PCMA was looking into three options. Jen Hoy said that was based on the different scenarios Tom came up with for the last meeting, but most of the scenarios were just that – options that weren't feasible and that had little chance of success. Tom agreed. He said one of the options on the paperwork that Joe was talking about was to do no major upgrades at all, but to just keep applying "band-aid" repairs. Another was changing the pumping rates, but research indicated that the rates would have to be raised immensely to make ends meet. Another option was opening up pumping to outside haulers in an effort to keep rates lower. And the last option was to increase more pumps, but only so many pumps can be done in a year, so that wasn't feasible, and it didn't solve the problem of the fee not covering the cost of the pump; it would only make matters worse. Jim said, what is being forgotten in all of this, is that at least half a million dollars was needed just to continue using the plant, not to really upgrade it, and not to produce a whole new plant, just to fix things to the point of keeping it operating. Jim said it's a continuing losing battle trying to keep up by only fixing things at the sewage plant to the point of just getting by. Something has to be done long-term to fix the problems, and that's what the Board is trying to figure out. And the way things look at this point, and after checking what the outside haulers charged two years ago, it looks like the best thing for the community is to go to outside haulers.

Joe Haggerty said he didn't think the PCMA Board did enough research. Jerry told him that the PCMA Board has been researching and comparing costs for a few years to try to come up with a solution. The Board has seen the statistics year after year as they tried to keep costs low and still maintain sewage operations. It's just not working – costs keep going up faster than the rates. He said another thing he's heard from the Lake Wynonah customer base over the years is that they want to be able to use outside haulers. He said nobody can say the Board hasn't been aware of the numbers. The Board has been "band-aiding" the sewage plant for years to avoid putting up rates to a level that people couldn't afford. He said people were losing their jobs, the economy kept falling apart, and a lot of people were in danger of losing their homes. Jerry said the PCMA is now at a point where something must be done; the sewage operations can't keep being subsidized at the rate it is now.

Matt said he's personally talked to the outside haulers and they are interested in pumping but there are going to be some people with tanks that some of the haulers won't want to pump because of the distance of the tank, elevation, and other factors. He said those people are going to have to pay more and everybody is going to have to adjust. Joe Haggerty said there might be some people whose systems are too hard to pump and they'll be left stranded. Jim said he doesn't think that will be a problem because all of the outside pumpers are qualified and he's not worried

about them being able to do an adequate job. He said the pumpers who can, will rise to the top, and the ones who can't will just drop out. Jim said there may be some bumps in the initial stages, but they will be worked out. Tom said the PCMA has been able to pump all the tanks, and if the PCMA can do it, he's sure the professional pumpers from outside the community can too; they've been pumping tanks for a lot more years than any one of the employees the PCMA has had over the years. Matt said that two of the outside haulers he's talked to are interested in the PCMA's trucks if it goes to outside haulers.

Joe Haggerty asked why the pumping can't be designated to one hauler. Tom said there are so many different parameters for the different tanks at different places that it is not possible to designate one hauler to do everything. And by trying to designate one hauler, you're cutting the options for the people. Also, a single hauler will have to be capable of pumping all the tanks in the community no matter what the circumstances are, and that's not something that should be expected. Some pumpers will not be capable of pumping the worst tanks in the community, but others will be able to. A pool of haulers will guarantee that all tanks can be addressed no matter how hard the pump is. At least one of the haulers will be able to do it. Tom said if all the tanks and limitations of each tank were identical, the idea of giving the pumping responsibilities to one, possibly two, haulers would be a fantastic idea, but that's just not the case with the tanks in Lake Wynonah. Jen commented that, in the 25 years she's been with the Authority, she's heard from customers every month wanting to know why they can't use outside haulers, and she's always told them that Township ordinances prevent that.

Dave Tyson asked why the PCMA doesn't get rid of the sewage treatment plant and dump at some other facility. He said he thought that was being discussed. Jim said it was only discussed to the point of knowing it wouldn't be a feasible solution. It takes more time to go to another facility, which would limit the number of pumps that could be done in a day, and it would be even more expensive to haul to some other location.

Dave Tyson said he doesn't know why it would be so much more expensive to run the sewage loads to another processing plant. He said any extra cost might still be lower than what an outside hauler would charge. Tom said the fees that are charged now don't cover the cost of the pump, and the truck only drives a short distance to the PCMA's dump station. There would be more wear and tear on the trucks if they were driven even farther, and it's hard enough to keep up to truck breakdowns and repairs as it is. Jen said the PCMA already had a taste of what it would cost to drive the loads to another processing plant. She said when the sewage plant was broken

down and couldn't be used at all, the sewage loads were taken to Pine Grove and it cost \$240 to dump one load, which is far more than the fee the PCMA charges for a holding tank pump. *[The recorder notes that, in looking back at invoices, she saw the cost of dumping sludge is \$240; the cost at that time for a holding tank was \$200.]* Dave Tyson said Pine Grove would probably give the PCMA a break if they took all its loads there. Jen said Pine Grove already has all of the PCMA's business and that's the charge. Dave Tyson asked about dumping at Orwigsburg like was talked about before. *[The recorder notes that Orwigsburg was never mentioned prior to this meeting. Deer Lake was discussed.]* The Deer Lake plant is not currently set up to accept pumps, but it might be in the future. Jeff said if we had to run to the Deer Lake plant we'd do less pumps than before. The pumpers just got caught up with the backload and that was because a part-time pumper was hired. If more time was spent on the road, a backload would form again.

Joe Haggerty said it wouldn't cost the other processing plants, like Pine Grove or Deer Lake, to process any more sewage than it does right now. He indicated that the PCMA could take all of its pumps to other processing plants and it wouldn't cost them anything extra to process the sewage. He added that maybe in the long run it would only cost \$300 for the PCMA to pump a tank and that might be lower than the outside haulers. Jim said it's a losing battle in regard to running loads to other processing plants because of all the extra time involved – the PCMA would have to get another truck and hire an extra pumper to keep up with the demand, which creates even more expense. More expense creates even higher fees. Jim said it is not financially feasible for the PCMA to stay in the trucking business if it doesn't have its own processing plant. And it's no longer financially feasible to keep the sewage treatment plant in operation because it's too expensive to maintain. Tom added that the sewage plant is obsolete and it's costing more and more to just keep it in minimal operating condition. Jim said if the time comes that the sewage plant breaks down, and it's too costly to repair, the PCMA will be out of the trucking business too. Tom added that if a truck breaks down again to the point of being too costly to repair, like the White Mack did, the PCMA couldn't afford to get another one, and it would be out of business because of that too. Before any of those things happen, the Board needs to have a viable solution in place so the Lake Wynonah customers will not be without pumpers should the sewage treatment plant or trucks break down to the point of not being able to be repaired or replaced. The Board can't wait until something disastrous happens to make plans to resolve the situation; it's trying to be as proactive as possible.

Jim said the Board will continue to discuss its options and a final decision will be made as soon as possible. Jen told the people in attendance that, should the Board

go the route of outside haulers, the PCMA will gather as much information as possible to distribute to the Lake Wynonah customers so all of them can make an informed decision about the pumpers who will be available. She said the PCMA has no intention of cutting everyone loose without giving them the help they need to move on because the people will need time to adjust. Dave Tyson asked what the means will be for getting information to the people. Jen said if the time comes to start distributing materials to the community, she will prepare mass mailings so that everyone has the information they need. She added that a lot of people already know that changes may be coming and they have asked questions. She assured them that information will be forthcoming when she has it, but she can't start distributing anything until final decisions are made. More information must be obtained and organized before that can be done. Jen also said that, if changes take place, the PCMA has every intention of making the transition as smooth as possible. Joe Haggerty asked if there have been any further talks with the Schuylkill County Municipal Authority. Tom said there have been no meetings with the SCMA, and nothing was presently being discussed.

Tom said maybe the best possible scenario for everyone concerned is to just go ahead and build a central sewage system, but it will be very expensive. And public funds probably won't be available for that either. The cost of anything that's done in the community, including a sewage collection system, will have to be borne by the people who live there or own property there. So, whatever a system would cost, it would have to be split among the customer base. Tom said a central sewage system would be the ultimate solution but, cost-wise, it might not be a feasible solution.

Joe Haggerty and Dave Tyson then left the meeting.

Jeff gave the manager's report. In water operations, he reported:

- Normal operations continue. No violations to report this period.
- The minor leak at Well #1 was repaired in-house. The totalizer at Well #1 stopped working. It was pulled and cleaned, and it's currently recording properly. The totalizer for Well #8 is being inspected for repair and/or replacement also. An L/B Water representative is stopping by later in the week for technical support and a proposal to deal with the totalizers.
- The Booster Station is at 11.2 PSI as of June 20 the; 17.3 PSI is full capacity.
- A water leak on a customer's line was recently discovered during a response about dirty water. The customer has a plastic line, and the line had a split in

it. The water had to be shut off at the curb stop because of the leak, and the ears broke off of the curb stop during the process. The curb stop valve was replaced and the customer replaced the leaking water line within a week.

- Due to a power outage at the Booster Station, the #1 Main and Jockey pumps were damaged. There was no water pressure on Papoose Drive because of it. Slaymaker, Inc. responded within 24 hours and the pumps were put back online. The #2 Main and Jockey pumps were also pulled for shop repair. Installation is expected by the end of June.
- Becker Roofing is scheduled to start the roof and drywall repairs at the Booster Station June 21st or 22nd depending on the weather.
- The Lodge swimming pool was filled the last week in May; all wells were online. Ample water storage was available soon after and Well #1 was shut down to prevent overflow.

In sewage operations, Jeff reported that:

- Normal operations continue.
- Approximately 22 septic pumps are in the backlog. Both pump trucks are operational. Steering tires for the Blue Mack and rear drive tires for the Western Star were replaced, and the trucks were State-inspected.
- The air compressor relay switch/pressure relief valve was replaced in-house to repair influent valve operation. A new decanter pump for the digester was purchased.
- Both pickup trucks are currently operational. An insurance claim check was received for the body repair work on the Ford Ranger.
- Total pumpings in May increased significantly compared to 3 to 4 months ago.

Dennis asked Jeff if the Booster Station pumps went down because of the power outage. Jeff said Joe was on routine duty doing rounds that weekend and he discovered the outage during his regular rounds. Jeff said he can only guess that there was a lightning strike somewhere in the circuit and it went off because Joe was getting calls from the answering service about customers on Papoose Drive reporting they had no water or very little water pressure. Dave Meyers responded to check the electrical components, and he found that the circuit breaker on the electric pole was faulty and PP&L had to be called. Also, Slaymaker came in and

managed to get the #1 main back online and the Booster Station was working again, although repairs were needed with other components and work was needed on backup jockey pumps. Jim asked Jen to check with the PCMA's insurance company to see if the storm damage to the booster station will be covered.

Dennis asked what it cost to haul sludge. Jeff said the cost to dump a load of sludge is \$240 for 4,000 gallons. Jim asked if that was for a holding tank or a sludge load from the plant, and Jeff said it's for a sludge load.

Tom asked Dave Bright about putting a pedestal tank in place so the customers on Papoose Drive and the homes out toward the Lake Wynonah entrance wouldn't experience low water pressure or no water at all if the Booster Station went out. Dave said it could be done but whether or not it would be cost effective is another matter. He said it would be expensive and didn't think the PCMA owned enough land in that area to support another tank.

In engineering matters, Dave Bright said the actual cost for sewage treatment plant repairs and improvements is a lot more than the \$497,000 applied for in the grant. The dollar amount for the grant had to be less than \$500,000, and the cost of all the repairs needed could not be included in the grant request. Also, he recapped his contact with the PA DEP to try to get some answers about what is required to amend the Act 537 Plan, and also what needs to be done to close the sewage plant if a decision is made to go in that direction. Dave said the Townships would have to initiate those things if a change is made regarding sewage operations in Lake Wynonah.

In legal matters, Joe Zerbe said he reviewed the Drug-Free Workplace Policy that Jen asked him to look over. He said routine legal services were also addressed.

The Board addressed the Drug-Free Workplace Policy, and Jen said she and Joe Zerbe went over it together before the meeting and changed a few areas of wording that Joe felt needed tweaking. Joe said it was mostly for the sake of legal terms. Dennis asked if the Policy was ready to be adopted based on the changes, and Joe said it was. Two documents were before the Board for approval and adoption: The Plum Creek Municipal Authority Drug-Free Workplace Policy and the Plum Creek Municipal Authority Employee Acknowledgement Form, Drug-Free Workplace Policy. Upon motion by Dennis Scharadin, seconded by Jerry Weiss, and carried by all, both documents were approved and adopted by the PCMA Board, effective immediately.

The Board again discussed the different options for solving the deficit in sewage revenues. Matt said if the numbers show that the PCMA has to put a huge fee

increase into effect, he wondered if it would be possible to keep band-aiding the sewage operations for another year, put a large increase into effect across the board, and see if the increase in revenues is enough to start addressing the sewage repairs and upgrades that are needed. Jeff said he felt it just wouldn't make any sense to run the two pump trucks to another sewage treatment plant to unload because it would take too much time and the number of pumps would drop drastically. He said there are too many variables involved with the pumping requirements in Lake Wynonah to make transporting sewage to an outside treatment plant viable. Jim said maybe an interim answer along the lines of what Matt was talking about would be the way to go for the time being, but it's only a temporary solution. The Board was in agreement that, no matter what the pumping fee is raised to, it has to be uniform across the board.

Tom said, roughly based on the 2016 numbers, the sewage revenues were \$151,000 and the expenses were \$385,000 giving a net loss of \$234,000 which was subsidized by water. If you add in \$108,000 to address just a few of the more pressing sewage repairs, the expenses for 2017 will rise to about \$342,000. In 2016, 539 holding tanks were pumped and 256 septic tanks were pumped.

If the number of pumps remain relatively the same, pumping fees would have to be raised to at least \$430 for both septic tanks and holding tanks. Joe Zerbe asked if that would put sewage operations at the break-even point, and Tom said it would. Joe said it's obvious the PCMA can't keep running at such a high sewage deficit, and it will unless sewage operations are hugely subsidized by water every year, or unless the sewage rates increase significantly. Joe added that the PCMA rates might be higher than the outside haulers because the PCMA also has the cost of processing the sewage that's hauled back to the plant. Tom said if all the extra water revenues go toward sewage operations, the sewage rates could remain as they are now except the holding tank fees have to be brought up to the septic tank pumping fees, which is currently \$265. Joe pointed out that the fees have to be raised high enough to keep a reserve amount in case of emergencies, and the Board agreed. Dave reminded the Board that the \$108,000 figure for immediate sewage repairs doesn't come close to what is needed to address all of the problems. Dave also said, in response to an earlier question about having a contract for one individual hauler for the community, he doesn't know of any municipality that has an on-lot sewage management program for the whole township that operates like that.

At the end of the sewage operations discussion, an informal vote was taken as to the direction the PCMA would have to take to solve the sewage deficits. The vote resulted in no definitive decision being made at this time.

Based on an obsolete Employee Manual, the Board decided to eliminate the Employee Manual entirely in favor of writing individual policies to address employee issues. Dennis Scharadin motioned to eliminate the Employee Manual and replace it with individual policies, effective immediately, seconded by Tom Nagle, and the motion carried. Jen said she would start working on the individual policies as soon as possible, and have some ready for the next meeting in July.

At 8:08 pm, the PCMA Board went into Executive session to discuss employee matters. At 8:15 pm the regular meeting resumed. In respect to mid-year bonuses, the Board decided, upon motion by Tom Nagle, seconded by Dennis Scharadin, and carried by all, that no bonuses would be given at this time.

There being no further business, Tom Nagle motioned for adjournment, Jerry Weiss seconded the motion, carried by all. Jim Ridderhoff adjourned the meeting at 8:16 pm.

Meeting minutes were taken, prepared, and submitted by Jennifer Hoy.