

**MINUTES OF REGULAR MEETING
OF THE BOARD OF THE
PLUM CREEK MUNICIPAL AUTHORITY**

A regular meeting of the Board of The Plum Creek Municipal Authority was held on May 17, 2022, at the Plum Creek Municipal Authority Business Office Building, South Manheim Township, Schuylkill County, Pennsylvania.

Board members present at the meeting were Jim Ridderhoff, Jerry Weiss, Corby Lewis, and Ryan Achenbach. Also, in attendance were Joe Zerbe, Nancy Wesner (PCMA Office), Matthew Crump (SES – Select Environmental Solutions), Jamie Lorah (SSM Engineering), and property owners Lisa Jones, Joe Haggerty, Mike Flynn, Peter Hummel, Susan Hummel.

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

The minutes for the April 2022 meeting were accepted by motion of Corby Lewis, seconded by Ryan Achenbach, carried by all.

The Treasurer's report for April 2022, was reviewed and accepted by motion of Jerry Weiss, seconded by Ryan Achenbach, carried by all.

Matthew Crump (SES), submitted a written manager's report to the Board prior to the meeting:

- Copies of the following information has been submitted by SES to PA DEP on the authority's behalf and are viewable via PA DEP website via the eDMR.
 - Discharge monitoring report and Discharge monitoring report supplemental report
- Purchased DEF for pump trucks.

In water operations, Matthew Crump (SES) reported that:

- On April 5th, SES staff refit thread piping at Well 3 to stop small leaks.
- On April 8th, SES staff found Well 6 tripped so it was wasted and restarted.
- On April 11th, SES staff pumped out and cleaned the effluent tank.
- SES staff set up with Zimmerman Bros for changing the necessary locks.
- Two wells (1 & 6) are currently running in April.
- Booster Station: All pumps operational and rotating on monthly basis.
- Booster pump 2 has a leak in the copper piping for the motor cooling.

In sewage operations, Matthew Crump (SES) reported that:

- Normal operations continue and plant ran well for April 2022.
- 37 septic pumps in the backlog.
- Staff pulled rags out of the aeration tank and clarifier valves/inlets.
- On April 5th, Staff replaced rag screen by clarifier inlet.
- There were 52 pumps done (25 Holding Tank Pumps, 27 Septic Pumps) for April 2022.

Matthew Crump said Well# 3 pump is making a knocking noise and you can feel it through the well casing. He got in touch with Kohl Bros and asked them to send a proposal to check it out and see what is going on. Kohl Bros said they can come out tomorrow (if needed) and the proposal was for \$1,800.

Upon motion by Corby Lewis, seconded by Jerry Weiss, and carried by all, the Board approved to have Kohl Bros check out the pump at Well #3. Replace pump if needed and do the job all in one day.

Carl McGrady (Plant) said there are some issues with the Western Star pump truck. If you turn off the lights the gauges do not work and sometimes when you make a turn you will smell diesel fuel fumes and that means, there is a leak somewhere. The back lights are rotting out and they need to be taken care of. The tank is starting to rust on the side which was talked about previously. Carl said the Mack pump truck is in decent shape.

Mike Kreiser (SES) said there is a chlorine meter in a past employee's truck that was not collected. Nancy (Office) said she got an email this morning that the meter will be dropped off this week. Mike said he did operations on the weekend, and he used the last pH probe that was in the plant. Mike said he keeps them in stock and gets them from a place other than USA Blue Book and the price is \$130.36. Mike said he brought one with and if the Board wanted to purchase it, he would add the cost to the next invoice. The Board agreed to purchase the pH probe from Mike Kreiser.

Mike Kreiser (SES) said he went through the wells and there is so much moisture that it should be looked in to purchasing dehumidifiers for each well to keep the corrosion down. Mike said you can do a cheaper version a \$250 dehumidifier from Home Depot, but you will end up replacing them each year. He has had luck with a dehumidifier purchased from Martins Appliance for approximately \$600.

Upon motion by Ryan Achenbach, seconded by Corby Lewis, and carried by all, the Board approved to purchase five dehumidifiers for the wells and booster station not to exceed \$5,000.

In legal matters, Joe Zerbe said he wrote a letter to a former employee, looked at the MuniBilling contract with Nancy (Office), and reviewed an email from Jamie Lorah (SSM) regarding the bid.

In engineering matters, Jamie Lorah (SSM), said on April 30, 2022, we received a letter from DEP regarding the review of the Act 537 Plan noting several technical deficiencies a lot of which required additional detailed information. Things like the sanitary survey that they want conducted throughout the community. They are asking for additional information in order to potentially resubmit and DEP provided us with essentially an ultimatum that we must submit a response to all the technical deficiencies by June 3, 2022, for them to take a final action on that submission no later than June 14, 2022. The other option being that we withdraw this, revise it, and resubmit, which starts the clock again. Those are the two options that DEP has given. Jamie said most of their comments pertain to public comment and our responses and some mapping they are asking for. They do want some updated cost information because they took so long to review this that the cost information was from 2017. Jamie said she met with Jim Ridderhoff and Jerry Weiss last week and reviewed the technical deficiencies letter and our responses and how to proceed. Michael Flynn asked Jamie do you have to have the mapping, the sanitary survey, and the updated cost information by June 3, 2022. Jamie said they want all the responses by June 3, 2022, which would be impossible because they are looking for a sanitary survey done, by a Sewage Enforcement Officer (SEO), which could be up to a minimum of 180 homes. Jim said the report that we received seems to be generated from one individual person. Jim asked Jamie if she would reach out to a higher person and ask if they can change the rules mid-stream.

Jamie Lorah (SSM) said the regional office takes a more stringent approach to Act 537 Planning than the people we met with in 2018 in the local office. Jamie said she does not think it is necessarily that they are opposed to closing the wastewater treatment plant. The issue is then what do you do with the sewage and whether it is outside haulers or it is internal to the lake. They seem to be taking a hard line and saying the overall picture should have been centralized sewer. Jamie said that is cost prohibited in this case.

Ryan Achenbach said with the monumental task of being at square one again with having to withdraw it and start over and we take all the time costs and then we have unknown involvement of what challenges we would get from within the Property Owners' Association (POA) again and to unload this directly back into the same reviewer – what is even the answer. Jamie Lorah (SSM) said that was part of our discussion last week. Is at the end of all this we could answer all their questions, we could respond exactly the way he is looking for us to respond, and they may still push us in a direction that you may not want to go. If the findings of the sanitary survey have a negative impact on the Authority that is also going to play into where we go in terms of a new design.

Ryan Achenbach said if he correctly remembers Jamie Lorah (SSM) had said while we were in the waiting process that he did not care what band aid we needed to stick on things in order to keep things operating. Ryan said now we are in a position where we are just beyond band aids and there is not even a goal in sight at this point. So, now we must not only look at band aids but rehabilitation of things we were hoping to make it to the end. Jamie said correct.

Jamie Lorah (SSM) said the bulk of this again is the concerns over comments by holding tank owners and DEP's response to the questions regarding holding tanks and how to sewer holding tanks and putting in a centralized collection system or sewer system just to serve holding tanks is a difficult endeavor when you have them spread out all over the place. You might as well put centralized sewer in for everybody at that point.

Jamie Lorah (SSM) said there are some questions and comments about environmental concerns and impacts. The environmental impact of the hauling versus digging up everything in the lake and putting in all new sewer lines and potentially six or seven lift stations to get it to a new wastewater treatment plant, which would have to be roughly ten times the size of the existing one in terms of capacity. That has much more impact than allowing private haulers to haul in the lake. We are not sure where he is going with this.

Ryan Achenbach said we had talked before in one of the meetings that he mentioned that he was concerned about his personal liability regarding challenges possible from the POA. Ryan said his goal was to pull the legal letters that were sent before on behalf of the POA. Ryan asked Jamie Lorah (SSM) if that was simply in regard to the use of outside haulers and was that promoting anything in regard to the direction the POA was hoping that we would be able to go. How does that come in to play as we are trying to restructure the path forward that we want to go. Jamie said the letters mainly pertain to private haulers and the cost to the POA stakeholders. Jamie said again he is looking at the cost to the few as to the cost of the many. His concern is the folks that have put public comment into this thing and addressing those comments adequately to satisfy everyone. He is certainly concerned about litigation and issues and certainly restructuring everything for the few does not financially make sense either.

Jim Ridderhoff said part of the discussion years ago, when we were going through this, was there is a certain small number of holding tank owners who live on a piece of property that did not perc at that time. At that time, they were not able to put in any kind of system on their lot that would satisfy the septic system. Now, there is a lot of new technology out. Jim said he did some research and there are at least five companies that make an individual residential wastewater treatment system on a very small footprint, on a single lot. What it does for discharge is not like our standard going into a big drain field, a large quantity of fluid going in, it processes it so thoroughly that what comes out is non-potable water and you put it in your garden. That is an option that was not available years ago, but it is available now.

Ryan Achenbach said he is personally at a loss as to what direction to go from here. We cannot make DEP happy, and we have not been able to make the Property Owners' Association (POA) happy. We have a facility that needs some sort of work.

Ryan Achenbach said if we got to restructure things now to have a vision of this plant being here long term to where we got to start investing money back into it significantly. As that naturally continues to drive the holding tank owners to put in some sort of septic. Ryan said he has always heard that our holding tank effluent is valuable because they need liquids to put in the system. What happens when we get to the point when there are no liquid properties left and we only doing septic sludge – what does that mean for the plant in the long run. Mike Kreiser (SES) said it is more difficult to operate the plant. If you look at what the tanks look like right now it is dark brown to black in color from the septic and if you go to a normal wastewater plant, it is more like a light brown chocolate color. Due to the amount of septage which is a thick concentrated sludge that comes from the tank rather than a healthy biomass, that we are usually dealing with, we have to keep the solids up higher and every little bit of water you take out it is going to make it more difficult, down the road, to meet permit. You will be bringing septage in and hauling sludge out at a higher rate because you are not going to have the water to help dilute and push through.

Ryan Achenbach said the idea for him was that it was going to be okay. We knew rates were to change when we closed the plant. Holding tanks were going to be exposed to market rates but that is what the market rates have always been, and we have shielded them from that because we have subsidized through the water. Jamie Lorah (SSM) said that is what hurt you in this case.

Mike Kreiser (SES) said you have a lenient discharging permit now. It is helping your allowance of septage coming in.

Jim Ridderhoff said the people like the service they have been getting for the last thirty years. We need to continue the service that the people have been getting and you can get the same service with other drivers and other trucks. If we spend all the money to fix up the plant, right now, more holding tank people will go to septic, and it will be harder to run the plant. The simple solution to this whole thing is different trucks to different plants.

Michael Flynn said one of your concerns has been if you must upgrade the plant and how it is going to affect the pumping rates. What other finance options have you looked at? There are grants available for municipal authorities. Jim Ridderhoff said for twenty years or more - every time we have officially applied for a grant, done all the paperwork, they passed it on to someone else because we are servicing a private community and we are not eligible for a grant. Jamie Lorah (SSM) said we did apply for a grant in 2018. We used the alternatives analysis to go after some funds for the treatment plant upgrade and this facility and this authority is not prioritized over low income, full-time resident communities, and authorities. So, they looked at this as there is vacation homes, the median income is a little higher than other surrounding areas, and we were not given any sort of prioritization.

Lisa Jones said what is the downside to pulling the Act 537 plan and starting all over but this time not just working with the two townships but turning around and working with the POA. Ryan Achenbach said he does not know. Ryan said his question would be that he does not understand why there was such a strong opposition to begin with. Ryan said he does not think anybody would deny the fact that if legal letters were sent to DEP opposing this that the position was that it was

not in the best interests of the community, and he cannot explain why that is. Ryan's question would be are we all on the same page.

Joe Haggerty said the POA was never really opposed to closing the plant. The POA has wanted more proof that financially the community was not going to be hurt. The POA thought that if the blue trucks continue to run down to Deer Lake, for instance, that we had a favorable contract in place that something like that could work. The POA thought with all the extra capacity that is down there that doing this plant probably does not make any sense. The option to do this plant, if you can not get a favorable contract down there, that is where the POA was at. This plant becomes negotiation leverage, the fact that you have it and you can rebuild it, is leverage in trying to strike a good deal on behalf of the POA for the holding tank owners but also for the septic tank owners. Even in the criticism of the Act 537 plan, he thinks what the DEP said was basically when you are going to bring outside contractors in here to haul - in the long term they are going to have a profit factor, and it is not realistic to think in the long term that it is going to be cheaper for you to do it yourselves. The POA wants to make sure they are getting the best deal for the property owners. That was what all the comments were oriented towards.

Jamie Lorah (SSM) said one comment that seems to have caused a lot of concern by DEP was when the POA hired an attorney who wrote a strongly worded letter about outside trucks crashing into the lake and the environmental concern associated with that. Jamie said he definitely looked at that as a red flag that the POA was opposed to outside haulers period. Joe Haggerty said that comment was about bringing in numerous haulers (seven or eight different haulers) and at that time it was prior to having discussions of qualifications of the haulers.

Jim Ridderhoff said the direction that this Authority wants to go in - he feels is the right direction. However, the last time we tried, which is right now, the POA sent numerous complaints and negative comments and that affected the outcome of this with DEP. Jim said what he suggests is that we recoup and try and do the same thing again, but we get the POA to approve of what we are doing and formally send a letter to DEP that we are for this.

Lisa Jones said she will be president of the POA until August. She proposes first is that we have a joint meeting between Plum Creek and the POA and we put everything on the table. Corby Lewis said you must include the townships - Plum Creek answers to the townships. Lisa said absolutely.

Jim Ridderhoff said South Manheim township had their meeting and they voted to withdraw their request for the Act 537 Plan Update in response to the Technical Deficiency Letter. This letter was written to the townships not the Municipal Authority. Jamie Lorah (SSM) said DEP is taking a hard line that the townships should have completely redone their Act 537 Planning every 15-20 years. That is why the technical deficiency letter is as detailed and lengthy.

Jamie Lorah (SSM) said the plant's structure is a concern and there is equipment in the plant that can not be replaced without spending a lot of money like the EQ tanks. Mike Kreiser (SES) said personally he does not think the plant should be enclosed. You could take the roof off, put a shed over the blowers, put a shed over the effluent, that is your first step. He does not know from Jamie's standpoint how easy it is to do that. Jamie said you have a plant that is fifty years old, and it has not had any upgrades. Jamie said from a safety standpoint you should have someone come in and look at the roof and make sure it is structurally sound.

Lisa Jones said she thinks between the engineering company and the management company they should come up with a short-term fix to keep the plant running and safe and come up with a cost and have a phase plan.

Jamie Lorah (SSM) said on the Equalization Tank (EQ) Cleaning Project there was one bid that was received from JG Environmental. That bid entailed two full weeks of Frac Tank rental, the removal, hauling, and disposal of up to 150 cubic yards of grit and residue from the EQ tanks. The cleaning of the EQ tanks and pressure washing, the set-up associated with the Frac Tanks including containment pads and includes the installation of a bypass connection. So, as we went further into the process, we discovered that the only way we can meter the flow is if you come in upstream of the pinch valve and flow meter at the treatment plant. To do that, they will have to excavate down to the pipe that exists right outside of the building. We have a bid line item just for tying into that sewer line. What we can do, if we want, is to put a tee-connection to allow for future by-pass in the event we ever must take those EQ tanks out of commission. Jamie said regardless of what happens to the wastewater treatment plant these EQ tanks must be cleaned out. A cost was also given for long term Frac Tank rental, in the event that when we drain the tanks you find that they are leaking, dilapidated, or no longer functional. The Frac Tank rental portion on a monthly basis is \$1,773.20. Jamie said they will have their structural engineer go out and look at it, take measurements of the thickness of the metal, see if there is any pin holes or leaking. Corby Lewis said that we should put the tee-connection in. The total bid price with the estimated quantities of grit is \$98,829 and that does not include temporary Frac Tank alternates in the event you would have to rent them for a week or a month at a time. It does not include repairs. Jim Ridderhoff asked Matthew Crump (SES) to be on site in case there is any questions. Mike Kreiser (SES) said they can coordinate with Jamie Lorah. Jamie said she thinks it should be SSM and SES doing the pre-job conference together with JG Environmental with set up and how it is going to be laid out. Jamie asked if the Board wanted an SSM engineer to look at the tanks once they are emptied before putting it back in to commission. The Board agreed to having an engineer look at the tanks.

Upon motion by Corby Lewis, seconded by Jerry Weiss, and carried by all, the Board approved to award the bid for the EQ Tank Cleaning Project to JG Environmental for \$98,829.

Jim Ridderhoff asked Jamie Lorah (SSM) to give a suggested septic and holding tank rate based on our expenses. Jamie said she met with the Board, and we discussed the overall number of holding tank and septic pumps that are completed on an average annual basis and that has tapered off a bit over the years. We did look at a four-year average for the number of holding tank and septic pumps to try and get a better indication of where you could be once the EQ tanks are cleaned. We estimated on a four-year (2018-2021 to present) pumping rate – 655 pumps could be completed on average. Last year you did 563 pumps. We also looked at the revenue from that same time period and looked at what your current anticipated expenses are for the 2022 period. So, the projected annual sewer expenditures are approximately \$298,260. That is based on the 2021 expenditure amount and a projected inflation factor for this year of 8%. Jamie said based on that information we recommend a pumping rate (to cover sewer expenses with sewer revenue) of \$455 per pump regardless of whether it is a holding tank or a septic tank. The reason that it is uniform across the board is after meeting with Jim Ridderhoff and Jerry Weiss and having previous discussions with Select Environmental Solutions (SES) it takes more work to treat a septic tank pump in a treatment plant, it takes more aeration, more solids, it is more condensed – it is harder on the plant. However, you can fit many more septic tank pumps on one truck versus a holding tank. Basically, it is a wash. The septic tanks cost more but they are only done every three years.

Jamie said we had a detailed breakdown of each expense and how much of that can be allocated to either sewer or water on a percentage basis. Jamie said they also recommend on any adoption of tank pumping rates there should be a reduction in the water rates. Jim said if we raise our sewage rates to cover our expected expenses, we can reduce our water rates approximately \$100 per year (\$25 per quarter) per customer. If we do not raise the sewage rates to cover sewage expenses than we cannot lower the water rates. We need to do both of those together in a package deal.

Jamie Lorah (SSM) said DEP is also urging PCMA to prove that doing outside hauling is more economical to the people living in the community and because the community members have been undercharged for so many years and water has been subsidizing sewer it makes it difficult for us to argue to that.

Joe Haggerty said why do not you put the sewage management plan fee of \$50 in place that you proposed in the Act 537 plan now and then take your \$455 and reduce it by \$50. Joe said if that is an ongoing cost then you should break it out in a third revenue screen. Jim Ridderhoff said right now there is no \$50 administrative fee because we as the office are doing that function right now. Jamie Lorah (SSM) said that funding goes directly to pay for the administration of the plan taking PCMA out of the equation. The sewage administrator, who would be an SEO, would be the one that the fee would cover his expense as well as some of the expenses in the office. Michael Flynn asked is we have an SEO today, they do not, so that would be an extra expense they are anticipating. Jim said we do not need an administrative fee until we lose our income for sewage then that is when the administrative fee was to kick in. Lisa Jones said Joe is saying reduce your rate to \$400 per pump and add \$50. So, you are still going to make it \$455 it is just you are already implementing that \$50 administrative fee and then it is already there you don't have to put it in your Act 537 plan you already got it – it would just roll over she thinks that is where Joe is going with it. Jamie said how do we justify an \$50 administrative fee for an expense that does not currently exist.

Jamie Lorah (SSM) said they can put together information regarding the rate change to be put in with the next water billing.

Corby Lewis said there should be a budgeted amount set aside for water repairs. These lines are forty years old and will have to be replaced some time.

Nancy (Office) said the number of holding tanks that switched over to septic's were: 2016 – 2, 2017 – 4, 2018 – 9, 2019 – 6, 2020 – 7, 2021 – 11, 2022 – 2.

Jim Ridderhoff said the new water billing system, MuniBilling, we contracted with them, and they have not been able to get it right. Jim asked Joe Zerbe if they are in breach of the contract.

Jim Ridderhoff said they received Carl McGrady's letter and will consider his request.

Mike Kreiser (SES) said he needs to know if the Board wants SES to do the weekend operations, so he knows for scheduling purposes. Also, Mike said Joe Sweeney can do PA One Calls and meter appointments, final reads, etc. and Matthew Crump will be helping. Mike said the contract is \$9,750 a month and a \$1,000 to cover the weekends. Jim said on the first page it needs to be changed to use MJ Reider for water testing. The contract would be for three years, and Mike said he will put the wording in about till the treatment plant is closed.

Nancy (Office) said the meter reads can be started on June 17th. Mike Kreiser (SES) said they will help where they can, but he is short staffed. Carl will see if his wife will help with meter reads again.

Upon motion by Corby Lewis, seconded by Jim Ridderhoff, and carried by all, the Board suspended the regular meeting at 8:45 p.m. and convened in Executive Session to discuss potential pending litigation with MuniBilling.

Upon motion by Jim Ridderhoff, seconded by Jerry Weiss, and carried by all, the Board reconvened at 9:10 p.m. in regular session. The Board discussed terminating the contract with MuniBilling.

Upon motion by Jim Ridderhoff, seconded by Corby Lewis, and carried by all, the Board approved to have Joe Zerbe contact MuniBilling to resolve terminating the contract.

Upon motion by Ryan Achenbach, seconded by Jerry Weiss, and carried by all, the Board approved a \$1,000 Retirement Bonus for years of service for Jennifer Hoy.

There being no further business, Corby Lewis motioned for adjournment, Ryan Achenbach seconded the motion, carried by all. Jim Ridderhoff adjourned the meeting at 9:30 p.m.

Meeting minutes were taken, prepared, and submitted by Nancy Wesner.