

Gregory S. Hill  
Chairman  
533-7697

John D. Rochat  
Vice Chairman  
533-3831

Galen Shelly  
Secretary  
367-3722

**CONEWAGO  
MUNICIPAL AUTHORITY**

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Asst. Sec./Treas.  
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**February 6, 2007**

**CONEWAGO MUNICIPAL AUTHORITY**

The Conewago Municipal Authority Board held their regular meeting, Tuesday, February 6, 2007. Those present were:

Greg Hill  
Ralph Luttrell  
Russ McIntosh, HRG  
Kim Bloom, DTMA

John Rochat  
Norman Miller  
Matt Cichy, HRG  
Joel Buckley

Galen Shelly  
Peter Henninger  
Paul Gross, B & H

The meeting was called to order by Chairman Hill at 7:05 PM. The chairman welcomed residents and visitors. The following items were discussed.

**PUBLIC COMMENTS** – **Joel Buckley** – He asked the secretary for copies of the Sewer Lease Agreement, Inter-Municipal Agreement, etc., that were approved in the December minutes, and she doesn't have copies. Chairman Hill said he will elaborate on this later in the meeting.

**MINUTES OF JANUARY 9, 2007** – A motion by Miller second by Luttrell to approve the minutes of January 9, 2007 as submitted with the corrections on page 2, under public comments the third line under Resident from Oak Road should read as (The utility companies in the area mark their lines to make contractors aware of where the lines are located). Also on page 3, under public comments the second bullet fourth line under Jay Hitz delete (1.8 Million needed to fund the Project). Under the third bullet should read (Based upon the estimates the Authority has today, the tapping fee for Phase II will be approximately \$6,000. per EDU which is \$1,000. greater than Phase I). Under the eighth bullet it should read as follows (Chairman Hill said an important factor to remember is that DEP mandated public sewer in the Phase II area. The residents in this area have malfunctions of some form and one third of the wells are contaminated. This is the solution and was the driving force behind Phase II. Motion carried

**ENGINEER'S REPORT** – **Phase II Sanitary Sewer Project** – Cichy reported the Preconstruction Conference was held at 8:00 AM on January 26, 2007. Representatives of the Authority, DTMA, Mazzuca Enterprises, DEP, Dauphin County Conservation District, Buchart-Horn, and HRG were in attendance.

As requested HRG prepared five (5) additional plats and legal descriptions for the proposed sanitary sewer right-of-way along the east side of Route 743 (which extends from Adventure Sports property to the northern end down to the Driving Range area), and is for future easements of the sanitary sewer service. This was provided to the Solicitor for his use in preparation of the sanitary sewer right-of-way agreements.

**PENNVEST Assistance** – Cichy stated the PENNVEST financing scheduled for January 25, 2007 has been postponed. This was due in large part of PENNVEST's inability to pay for the grinder pumps necessary to complete the project since their regulations require these pumps to be owned by the borrower, the Conewago Municipal Authority. The elimination of the grinder pump costs from the project has reduced the overall project costs to the extent that PENNVEST's financial assistance criteria forced a reduction in the interest only period from 36 to 25 months. HRG is working with the Authority, DTMA, and the Solicitors to revise the necessary documents in an effort to complete settlement prior to the expiration of the current bids. Due to the change in PENNVEST financing, the PENNVEST Application for Reimbursement Request No. 1, must be re-executed by the Authority.

McIntosh reported at last months meeting that all documents were completed including the Draft Service Agreement and the Draft Lease Agreement and various project cost breakdown reports were submitted. Two weeks before the meeting and the Xmas holiday's PENNVEST looked at the revised project cost, and because the low bidder created a substantial reduction in the amount of funding needed. In the process of review PENNVEST reran their financial assistance offer. The cost drop was sufficient to reduce the term of the loan from 360 month to 299. Unfortunately, the Service Agreement and the Lease Agreement had a provision which said if any of the terms changed the documents become null and void. (All other terms and conditions of the financial assistance package remain unchanged including the grant of \$618,872. There is no effect on the tapping fees or user fees). The reason for the delay is to reword and reapprove the agreements with DTMA and resubmit everything by March 6, 2007 deadline. McIntosh also stated if in the event you could not have a meeting you can apply to PENNVEST to get a closing letter which protects you, and would allow you to make the award to preserve the bid, but it has certain legal ramifications.

Solicitor Henninger said generally PENNVEST will not pay any construction bills before closing is completed, but the letter would allow the contractor to start digging, and the Authority would be reimbursed for construction bills. He said he wouldn't recommend action without funding in place first. Chairman Hill said the two boards must execute an agreement and go back through the PENNVEST process within 30 days.

A motion by Roachat second by Luttrell to authorize execution of Application No.1 in the amount of \$417,136.89 for reimbursement from PENNVEST. Motion carried.

**DTMA'S REPORT** – Kim Bloom reported the next meeting for DTMA is March 5, 2007. DTMA has already alerted the Board Members regarding a special meeting, and they are ready to go, and will be able to meet at 7:30 AM, whenever the date is set. Ralph Watters will meet with HRG to re-execute the agreements as soon as possible.

Paul Gross said he will answer any resident's questions pertaining to the sewer project and the connection within 150 feet from lateral, and the definition of the right-of-way within the principal residence. There may be several residents within the 150 feet, but he tells them it is not officially determined until after the job is constructed and then you can make an official measurement based by the Conewago Township Ordinances. When letters are ready to be sent to residents they will notify them if they are 200 ft. away or within the hookup area.

**SOLICITOR'S REPORT** – Solicitor Henninger stated everything has been discussed and has nothing more to add other than Cichy, HRG provided him with the right-of-way agreements for preparation of the sanitary sewer.

**A motion by Rochat second by Luttrell to go into an Executive Session at 7:46 PM, with Solicitor Henninger, Engineer Cichy and McIntosh to discuss legal agreements with DTMA. Motion carried.**

**The Authority returned from Executive Session at 8:55 PM, and no action was taken.**

Chairman Hill suggested a motion be made to go forward with the direction of the revision of Service Agreement and PENNVEST closing documents as a result of the modification of the PENNVEST Loan Term.

A motion by Rochat second by Luttrell that Chairman Hill send a letter to Derry Township Municipal Authority setting forth the revised PENNVEST terms of funding and proposal for splitting the approximate \$70,000. short fall due to deletion of the PENNVEST funding of Grinder Pumps. Motion carried.

A motion by Rochat second by Shelly that the appropriate officers of the Conewago Municipal Authority execute the Sewer Service Agreement, the Lease Agreement, the PENNVEST closing documents for Phase II provided the said revised documents are consistent with PENNVEST revised funding proposal and terms negotiated with Derry Township Municipal Authority including the terms set forth in the approved letter in the prior motion. Motion carried.

**NEW BUSINESS** – Rochat stated the only new business is the secretary wants to know if she should advertise the correct dates of May 1, 2007 and November 13, 2007 for the Municipal Authority Meetings. It was suggested to hold advertising those dates until the next Authority meeting or to advertise, if they have a special meeting.

Rochat handed out Ethics Forms for the year 2006 to be filled out and returned on or before May 1, 2007.

**NEW BUSINESS, Continued** - The secretary and the auditors talked about the account number for the bank account for Phase II Sewer Project. The auditor said it should be setup as a separate company in Quickbooks because it is required to be audited. The Authority Board Members discussed how the accounts should be handled. Chairman Hill opened an non-interest bearing account which needs 2 signatures on the checks. They discussed how money should be handled and who would be responsible for moving money in and out of the accounts, when money is available. McIntosh suggested 3 separate accounts: one for non-interest bearing for PENNVEST reimbursement for construction; one for working construction fund account, interest bearing; and one for tapping fees and revenue account.

A motion by Rochat second by Luttrell to adjourn at 9:15 PM. The next meeting is March 6, 2007.

Respectfully submitted,

Shirley A. Bretz  
Township Secretary