

**DRAFT MINUTES OF THE ANNVILLE  
TOWNSHIP AUTHORITY  
September 26, 2017**

The September Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on September 26, 2017 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: Barry Ludwig, Chairperson; David Myers, Vice Chairperson; Keith Seward, Secretary; Anthony Perrotto, Treasurer; and Hugh Rooney, Assistant Secretary/Assistant Treasurer. Also in attendance were Nicholas T. Yingst, Township Administrator and Authority Clerk; Leslie J. Powell, Superintendent of the Wastewater Treatment Plant (WWTP); Corey Lamoureux, Esq., Office of the Township Solicitor; and Michael Mehaffey, Engineer with Gannett Fleming.

Chairperson Ludwig called the meeting to order and led those present in the Pledge of Allegiance to the flag of the United States of America.

**PUBLIC COMMENT:** Chairperson Ludwig provided an opportunity for public comment and no comments were noted.

**MINUTES: MOTION** by Mr. Perrotto, second by Mr. Seward to approve the minutes of the Regular Meeting held August 22, 2017 with a minor punctuation edit. Motion carried unanimously.

**SEWER FUND REPORT:** The Authority reviewed the Sewer Fund Report for the period ending August 31, 2017.

**ACCOUNTS PAYABLE:** The Accounts Payable list for September 2017 was reviewed. **MOTION** by Mr. Myers, second by Mr. Seward that the list of vendors to be paid (Cash Disbursements Journal) for the Sewer Fund, which list is filed with other Authority records, be approved by the Authority for submission to the Board of Commissioners for payment. Motion carried unanimously.

**SUPERINTENDENT'S REPORT:** Mr. Powell reported the WWTP is operating very well. He began by reviewing the Monthly Report, noting the Total Nitrogen (TN) and Total Phosphorus (TP) numbers would be well within the required levels as the permit year ends. Mr. Perrotto asked when this is and Mr. Powell stated it was September 30. Mr. Perrotto asked if the plant could cut back on the use of chemicals used for treatment since exceeding the required levels was not a concern. Mr. Powell noted staff is already conserving as much product as possible for this reason, which meant the amount of methanol currently on hand should last for the rest of the calendar year. Mr. Powell then reviewed the Status of Pending Projects Report, a copy of which is attached hereto and made a part of these minutes, and the following items were discussed in detail:

**Surcharges:** The Authority reviewed the results of the latest samplings for the Annville Grille, Batdorf Restaurant, Corvette Grille, J&S Pizza, Just Wing It, Napoli's Pizza, and the Lebanon Valley (UCC) Home. Mr. Yingst noted that copies of these sampling results were mailed to these entities and based upon these results surcharges would be assessed to their October 1, 2017 sewer bills. He also noted the \$250 sampling and testing fee was waived for Napoli's Pizza due to their having total surcharges for effluent less than \$25 for consecutive testing periods and this information was noted on the surcharge detail it was mailed.

**Biosolids Disposal:** Mr. Powell reported that one of the four farms currently used for disposing biosolids—the Heilbronn farm in North Annville Township—has recently been difficult to work with. Noting the amount of biosolids currently being stored at the plant was significant and required accessible disposal sites, Mr. Powell expressed his concern that the Heilbronn farm may not be a dependable resource in the future and the Authority may need to consider alternative disposal sites or methods if it wished to continue accepting septage. Mr. Rooney asked if the owner of Heilbronn farm had originally approached the Authority about accepting biosolids and Mr. Powell indicated he had approached Heilbronn. Mr. Perrotto asked if the Authority had any agreements with the farms on which it applied biosolids and when Mr. Powell indicated it did not, Mr. Perrotto asked if there was a reason for this or if it was simply past practice. Chairperson Ludwig indicated requiring such an agreement was not typical because he did not believe any farmers would agree to it due to the bias against human waste versus animal waste in farming and Mr. Powell concurred. Mr. Seward noted that when he worked at the Palmyra WWTP it eventually became so difficult to find farmers willing to take biosolids it became necessary to pay farmers to do so. Mr. Yingst noted he and Mr. Powell had discussed several options moving forward to address this issue and the latter shared the first of these with the Authority. He noted he asked Material Matters to provide a proposal for reaching out to owners of fields within a five-mile radius of the WWTP in order to gauge their interest in receiving biosolids. Mr. Powell indicated Material Matters estimated the cost for this work would be \$11,000 and he and the members of the Authority seemed to agree that this cost was too high for pursuing further. Mr. Powell also noted he would be reaching out to the owner of the Alger farm in South Annville Township to see if that would be an available field. He then noted another long-range disposal option would be purchasing a centrifuge to dry out the biosolids and then disposing of the 20% solid/80% liquid end-product at the Greater Lebanon Refuse Authority (GLRA), as is done by the North Londonderry and Myerstown WWTPs. Mr. Ludwig, who supervises the Myerstown WWTP, noted his good experiences with a centrifuge at that plant and ease of disposal at the GLRA via a waste hauler. Mr. Rooney inquired about the cost of such a project, and Mr. Mehaffey indicated the centrifuge alone would likely cost between \$300,000 and \$400,000, and a building to house the centrifuge and additional equipment to connect it to rest of the plant could be as much as another \$500,000, with a total price of \$1,000,000 not being out of the question. The Authority then discussed some very rough annual estimated disposal costs at the GLRA, the possible annual costs to finance a project over a 20-year period, and the possible “breakeven” point when cumulative septage revenues less operating costs for the Sewer Fund over a number of years would exceed the capital costs of such a project. Mr. Mehaffey noted the project costs could possibly be lowered based upon the type of building used to house the centrifuge—such as a metal building—and if less area was needed to store the end-product since the WWTP staff could haul this substance to the GLRA instead of relying on a waste hauler to do so for it, and Mr. Powell indicated his staff would be able to do the hauling via its roll-off truck. There was also a discussion concerning cost savings of using a centrifuge versus spreading biosolids on fields, although Mr. Yingst noted the Authority would likely wish to keep the option of spreading available since most of the costs pertaining to permitting the fields already in use had been incurred. Mr. Powell noted there would still be testing costs going forward for the fields in use, but he did not anticipate there would be any additional permitting requirements for these fields based upon his most recent conversations with the Pennsylvania Department of Environmental Protection (DEP). Returning to the centrifuge, Mr. Perrotto asked if it could be used to generate fertilizer that could then be sold. Chairperson Ludwig noted this would require an additional treatment step. Mr. Mehaffey noted this would necessitate

additional equipment and space, and thus increased costs, and while developing fertilizer from biosolids might make sense for a larger WWTP, he doubted a plant the size of Annville's would see a profit from this. Mr. Powell also reflected that the same bias against human waste that made it difficult to find fields for spreading biosolids might make it difficult to generate sales on fertilizer, although Mr. Perrotto reflected on the success of selling fertilizer in Warwick Township generated by its WWTP. Mr. Mehaffey having already provided some information on estimated costs for a centrifuge project, Mr. Yingst asked the Authority if it wished to have Gannett Fleming provide a more formal cost estimate for it to consider at a future meeting. Chairperson Ludwig expressed his concern that the longer the Authority waited on obtaining further information, the more pressed it might become if there were less fields available for applying biosolids. Mr. Rooney asked if the Authority could wait another month and Mr. Mehaffey suggested that in advance of the next meeting he would provide a cost proposal for Gannett Fleming to do some research on the anticipated scope and cost for a centrifuge project specific to the Annville WWTP and the Authority could consider whether they wished to proceed further at that point. There was general consensus from the members of the Authority for Mr. Mehaffey providing such a cost proposal. Chairperson Ludwig also invited Mr. Powell, Mr. Yingst, and a representative from Gannett Fleming to visit the Myerstown WWTP if they wished to view the centrifuge in use there.

**Grind Hog:** Mr. Powell revisited his suggestion from the previous month's meeting concerning the replacement of the failing grind hog that cuts up debris. Per a question from Chairperson Ludwig, Mr. Powell clarified he would prefer to replace the grind hog with a bar screen, and it was noted this would likely require the Authority to upgrade the Part Two permit for the plant. Mr. Mehaffey described the documents he expected would need to be prepared and submitted to DEP for obtaining its approval, and while he expected this cost would be less than the overall not-to-exceed cost Gannett Fleming verbally proposed for this work, he indicated that may change if DEP required additional documentation. Chairperson Ludwig asked Mr. Mehaffey if he anticipated DEP would approve the submission and the latter indicated he believed it would since the changes would not be impacting the treatment process. **MOTION** by Mr. Rooney, second by Mr. Perrotto to recommend to the Board of Commissioners it authorize Gannett Fleming to prepare and submit the necessary documentation to DEP to update the plant's Part Two permit to allow for the replacement of the grind hog with a bar screen at a cost not to exceed \$3,000. Motion carried unanimously.

**SOLICITOR'S REPORT:** The Authority was informed of the status of several properties pertaining to unpaid sewer and trash fees:

**BSW Holdings:** Mr. Lamoureux reported the liens against the properties on North King Street and West Church Street that are owned by BSW Holdings and pertaining to unpaid sewer and trash fees have now been satisfied due to the remaining amounts owed on these liens having been paid in full.

**28 North King Street:** Regarding the outstanding sewer and trash fees for the Blackman property at 28 North King Street, Mr. Lamoureux noted communication was received from Mr. Blackman's attorney that he has filed bankruptcy and, as such, the lien process may not proceed further at this time. He noted this was a Chapter 7 bankruptcy proceeding, which is a type of bankruptcy that is typically difficult for creditors to collect on, although he also noted there were two properties

(including the one at 28 North King Street) that were listed as assets on the bankruptcy documents and as the Authority was named as a creditor on those documents there may be a means for receiving payment on the unpaid sewer and trash fees. Mr. Lamoureux shared that a proof of claim could be submitted to attempt to collect any monies left over and noted this is a relatively straightforward form that could be mostly completed by a paralegal at his firm. **MOTION** by Mr. Rooney, second by Mr. Seward to authorize the preparation and submission of a proof of claim pertaining to the outstanding sewer and trash fees for the Blackman property at 28 North King Street by the Township Solicitor. Motion carried unanimously.

**ENGINEER'S REPORT:** The Authority was informed of the following item:

**Nutrient Credit Trading:** Mr. Mehaffey reported there had not been much interest in the purchase of nutrient credits from the Authority due to the generally small amount of credits it had available for sale. He did note the Lancaster Area Sewer Authority (LASA) might be interested in TN credits due to a large need it had and suggested that Mr. Powell could contact someone from LASA to gauge its interest. Mr. Yingst asked how many credits LASA needed and Mr. Mehaffey indicated he believed it was much more than the plant had available to sell. Mr. Rooney asked how many TN credits were available and Mr. Powell estimated it was around 1,900 pounds. **MOTION** by Mr. Perrotto, second by Mr. Myers to authorize Mr. Powell and Mr. Yingst to enter into an agreement on behalf of the Authority with LASA for the sale of TN credits contingent upon the price per credit being no less than \$2 and the agreement being determined to be satisfactory by the Township Solicitor. Motion carried unanimously.

**MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4) REPORT:** The Authority revisited the proposal received from SSM Group to evaluate and determine the Township's stormwater fee that was initially discussed at the prior month's meeting. Chairperson Ludwig reflected that the Authority was concerned that it was high and Mr. Perrotto concurred, sharing his recommendation that proposals be sought from other firms. He shared a contact he recently made with a representative of HRG, Inc. and, noting that firm had also performed the stormwater analysis for the Derry Township Municipal Authority, suggested this might be a firm to consider. Chairperson Ludwig asked if Gannett Fleming might also like to provide a proposal and Mr. Mehaffey noted his firm had done this for several municipalities. Mr. Yingst noted that those municipalities he had researched all used their appointed municipal engineers for this work and asked if this was because it was simplest for municipal staff to work with the engineer who was already familiar with the municipality's stormwater system, land development projects, and any best management practices (BMPs) that had been installed. Mr. Mehaffey discussed this briefly and indicated there were probably a number of reasons why that tended to be the case. Mr. Lamoureux asked if there was someone at Gannett Fleming who specialized in stormwater and Mr. Mehaffey indicated there were two such individuals, one of whom is of a small number of people who is certified by DEP for doing so. At the direction of the Authority members Mr. Yingst agreed to reach out to Gannett Fleming and HRG, Inc. for proposals in time for the following month's meeting and to notify SSM Group of this and that it could resubmit a revised proposal if it wished.

**CLERK'S REPORT:** The Authority was informed of the following items:

**Delinquent Report:** Mr. Yingst informed the Authority of the measures taken by the Township Office over the past month to collect on delinquent accounts. He noted that since the August 22, 2017 Authority meeting 32 accounts were posted for shutoff; this was comprised of seven customers who were under a payment contract but had not paid, 19 customers not under a payment contract with the Township, and six landlord/tenant customers. Mr. Yingst concluded by reporting that over the past five weeks more than \$6,500 had been received from significantly past-due customers, including \$500 for the Allen Theatre and related properties.

**2018 Draft Budgets - Sewer Fund, Sewer Capital Fund, and MS4 Fund:** Mr. Yingst presented the 2018 draft budgets for the Sewer Fund, Sewer Capital Fund, and MS4 Fund for the Authority's review and comment. He noted the first two of these draft budgets were prepared with input from Mr. Powell and were based upon historical analytics. He further noted the budget for the MS4 Fund involved very rough estimates and assumed the transfer of \$150,000 in total from the Sewer Fund and the General Fund prior to year-end 2017 to set up the MS4 Fund and also anticipated the assessment of an MS4 fee sometime in mid-2018. Mr. Yingst reported these draft budgets would be reviewed by the Board of Commissioners at its October 18, 2017 Special Meeting. He stressed that, as these draft budgets were being provided to the Authority with more than a quarter of the year remaining, the numbers presented would inevitably change as the budget process continued and more information became available. With that in mind, Mr. Yingst noted the 2018 draft budget for the Sewer Fund was balanced with the \$162,184 surplus of revenues over expenses being budgeted as a year-end contribution to the Sewer Capital Fund. He indicated this was done with no increase projected to the quarterly Sewer Rentals fee, which would represent the third consecutive year of no fee increase. Mr. Yingst also noted that, as the budget is using estimates for the cost of health insurance, the surplus figure may change once the actual 2018 figures become known in early-October. He concluded by noting that a 2017 year-end surplus was also forecast for the Sewer Fund and he suggested that a portion of this surplus be used as a greater-than-budgeted contribution to the Sewer Capital Fund in 2017 as well as the previously mentioned contribution for setting up the MS4 Fund.

**MOTION** by Mr. Perrotto, second by Mr. Myers to approve the reports as presented at this meeting. Motion carried unanimously.

There being no further business to come before the Authority, **MOTION** by Mr. Myers, second by Mr. Rooney to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:39 PM.

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(Assistant) Secretary