

**DRAFT MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
July 25, 2017**

The July Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on July 25, 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; and Anthony Perrotto, 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 Kent Morey, Township Engineer.

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.

RECOGNITION OF VISITORS AND OPPORTUNITY FOR PUBLIC COMMENT:

Chairperson Ludwig provided an opportunity for public comment and the following comments were noted from those in attendance:

Municipal Separate Storm Sewer System (MS4) – Evaluation of Fee Mechanism: Mr. Yingst introduced Township Engineer Kent Morey of SSM Group. He noted that Mr. Morey has been working with the Township on its MS4 program and would be asking the Authority how it wished to proceed regarding a fee mechanism to fund this program. Mr. Morey thanked the members of the Authority for the opportunity to speak with them and began by providing an overview of the MS4 permitting process since its implementation approximately a decade and a half ago in Pennsylvania. He described how the changes in the upcoming permit cycle for the period covering 2018 to 2023 required municipalities to reduce their pollutant loading into waters of the Commonwealth by 10% by the final year of the cycle and that most local governments were just beginning to evaluate how best to fund the projects to accomplish this. Mr. Morey shared that since the beginning of the permit cycle was March 2018 it would be beneficial to have a funding mechanism in place around that time. He then provided an overview of how SSM Group would evaluate this, noting the first step would be to determine the annual anticipated MS4 costs, and he distributed a handout indicating the types of costs such a fee could fund, a copy of which is attached hereto and made a part of these minutes. After these total annual costs are determined, a fee mechanism then may be evaluated to meet these costs. In response to a question from Chairperson Ludwig, Mr. Morey indicated the fee evaluation was intended to cover the annual costs for participating in the regional pollutant reduction consortium of which Annville is a member, and it was further noted the non-administrative costs for the consortium were estimated at approximately \$80,000 annually. At the request of Mr. Lamoureux, Mr. Morey shared information on several different types of fees currently used by local governments, in particular discussing the Equivalent Residential Unit (ERU) fee. He described two different ways in which the ERU could be evaluated—a highly detailed, more expensive way which reviews the pervious and impervious surface of each parcel, and a less detailed, less expensive way which incorporates some general information from the underlying zoning map or assessment rolls. He also discussed whether credits or exemptions should be a part of the fee program and how such credits or exemptions would operate within this funding mechanism, although he suggested any fee evaluation proposal from SSM Group at this time not incorporate analysis concerning exemptions for larger, nonresidential entities who may have met MS4 requirements due to projects of their own. Mr. Perrotto asked if there would be a substantial difference in the fee for most residential rate payers if the simpler ERU evaluation was used instead of the more detailed review, and Mr. Morey

indicated he did not believe so. Mr. Perrotto then suggested the simpler review be performed and several other members of the Authority concurred. Mr. Morey asked if Township properties should be included in this review, and after some discussion it was agreed that such information may be beneficial, even if it wasn't ultimately used in the calculation of the fee, provided Township streets were not included. With no further comments or questions noted, Mr. Morey indicated he would begin working on a proposal for evaluating a stormwater fee mechanism based on the Authority members' comments and upon its completion submit it to them for review and consideration.

Mr. Morey thanked the Authority for its time and left the meeting at 6:12 PM.

MINUTES: MOTION by Mr. Perrotto, second by Mr. Seward to approve the minutes of the Regular Meeting held June 27, 2017 as presented. Motion carried unanimously.

SEWER FUND REPORT: The Authority reviewed the Sewer Fund Report for the period ending June 30, 2017.

ACCOUNTS PAYABLE: The Accounts Payable list for July 2017 was reviewed. Mr. Perrotto inquired about Check Nos. 11397 and 11411 to MTEK, Inc. in the amounts of \$1,531.99 and \$2,102.88, respectively. Mr. Yingst and Mr. Powell indicated the former pertained to a 55-gallon drum of degreaser and the latter pertained to bugs and activated sludge for sewage treatment. With no further discussion noted, **MOTION** by Mr. Perrotto, second by Mr. Myers 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 that the WWTP is operating well. He began by reviewing the Monthly Report before moving on to review 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 Hoss's Steak and Sea House and Lebanon Valley College. 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 August 1, 2017 sewer bills. The Authority also reviewed the initial sampling for the Union Hose Social Club and Mr. Yingst indicated he would send a letter to the club introducing the sampling program and the impact the sampling results would have had on its August 1, 2017 sewer bill. It was noted the results from the Union Hose Social Club seemed to be a good fit with the proposed policy regarding sampling frequency that would be discussed later in the meeting.

Replacement of Variable Frequency Drive (VFD) for Second Stage Blower No. 3: Mr. Powell reported on damage done to the second stage blowers due to a recent electrical storm and at his recommendation, **MOTION** by Mr. Myers, second by Mr. Seward to recommend to the Board of Commissioners that it authorize the purchase of a replacement VFD for second stage blower No. 3 from N.E. Controls, LLC at an estimated cost of \$2,483. Motion carried unanimously.

Septage Schedule: Mr. Powell briefly reviewed the septage pumping schedule for 2017 through 2019 received from the Lebanon County Planning Department and it was noted the increased number of tanks due for pumping in 2018 and 2019 as compared to 2017 should result in increased Septage Treatment revenues in those years.

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

Legal Actions Against Significantly Delinquent Customers: Mr. Lamoureux provided brief updates on several liens for unpaid sewer and trash fees.

BSW Holdings: Regarding the lien against the properties on North King Street and West Church Street that are owned by BSW Holdings, it was reported that payment in the amount of \$300 was received since the prior month's meeting, reducing the balance of unpaid legal fees on this lien from \$650 to \$350.

1296 East Main Street: Regarding the lien against the Williams property at 1296 East Main Street, it was reported this property was sold to the lender at Sheriff's Sale and, as such, there is no distribution schedule and the costs are to be paid by the lender. Mr. Lamoureux noted that Mr. Yingst has been in contact with the lender regarding the amount owed for the lien and payment was anticipated by July 31, 2017.

MS4 – Intergovernmental Agreement: Mr. Lamoureux reported the intergovernmental agreement for the implementation of the Lebanon Area Regional Pollutant Reduction Plan was adopted by the Board of Commissioners earlier in the month.

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

Nutrient Credit Trading: Mr. Yingst reported on a conversation he had the prior week with Authority Engineer Michael Mehaffey concerning the potential of nutrient credit trading discussed at the prior month's meeting. He shared that Mr. Mehaffey indicated his firm discussed credit trading with several other municipal authorities and, at present, those authorities seem inclined to deal with another entity due to the large number of credits they would need. Mr. Mehaffey shared that smaller facilities that may be interested in purchasing Annville's credits probably will not start looking to make such a transaction until closer to the end of the permit year in September or October. Mr. Mehaffey suggested that if his firm still has limited leads in another month it may make sense for the Authority to work with a nutrient broker like Material Matters, and he further suggested that any broker agreement state the credits must be sold at Annville's asking price and all broker costs for the transaction are to be paid by the buyer.

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 June 27, 2017 Authority meeting 20 accounts were posted for shutoff; this was comprised of five customers who were under a payment contract but had not paid, eight customers not under a payment contract with the Township, and seven landlord/tenant customers. Mr. Yingst concluded by reporting that

over the past four weeks more than \$6,400 had been received from significantly past-due customers, including \$400 for the Allen Theatre and related properties.

Policy No. 2017-001 – Frequency of Sampling and Testing for Total Suspended Solids (TSS), Biochemical Oxygen Demand (BOD), and Fats, Oils, and Grease (FOG): Mr. Yingst presented this proposed policy to the Authority for its review and comment. Following brief discussion, **MOTION** by Mr. Perrotto, second by Mr. Seward to adopt Policy No. 2017-001 as presented with an effective date coinciding with the effective date of the 2017 Omnibus Ordinance that was expected to incorporate the previously recommended changes to the assessment of the sampling and testing fee. Motion carried unanimously and a copy of this policy is attached hereto and made a part of these minutes.

MOTION by Mr. Seward, 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. Perrotto, second by Mr. Myers to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:29 PM.

(Assistant) Secretary