

**MINUTES OF THE ANNVILLE  
TOWNSHIP AUTHORITY  
May 26, 2015**

The May Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on May 26, 2015 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: Anthony Perrotto, Chairperson; Barry Ludwig, Secretary; and Keith Seward, Assistant Secretary/Assistant Treasurer. Also in attendance were Nicholas T. Yingst, Township Administrator and Authority Clerk; Timothy D. Sheffey, Township Solicitor; Leslie J. Powell, Superintendent of the Wastewater Treatment Plant (WWTP); and Dale Shope, Engineer with Gannett Fleming.

Chairperson Perrotto 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 Perrotto provided an opportunity for public comment; as no members of the public were in attendance, no public comments were noted.

**MINUTES: MOTION** by Mr. Ludwig, second by Mr. Seward to approve the minutes of the Regular Meeting held April 28, 2015 as presented. Motion carried unanimously.

**SEWER FUND REPORT:** The Authority reviewed the Sewer Fund Report for the period ending April 30, 2015. Mr. Yingst reviewed and discussed an analysis of historic revenues and projected year-end revenues for the Treatment Fees account he prepared at the request of several members at the previous month's meeting. He noted that while this analysis may be beneficial in forecasting projected year-end revenues, he cautioned that most revenues for this account are received in summer and autumn. As such, any extrapolation that uses the winter and spring revenues only may not be borne out by year-end due to its portion of total annual revenues being a small percentage of the whole. Mr. Powell also noted a number of reasons why the septage received may be less than anticipated for the year, highlighting the fact that a number of residences in South Annville Township which previously were serviced by septic tanks are now serviced by a municipal sanitary sewer system. He also indicated that he contacted Walters Environmental about having septage hauled from Hollywood Casino be processed at the WWTP as was done in past years. Mr. Powell noted that Walters began doing so earlier in the month and that this increase in septage gallons received should begin to show up on future Superintendent's Reports. Chairperson Perrotto asked how much additional septage he expected from Hollywood Casino and Mr. Powell indicated that last year Walters hauled approximately two loads per week to the WWTP from the casino. Chairperson Perrotto also referred to the monthly septage intake on the Superintendent's Report, expressing his belief that comparing the monthly septage gallons received to the gallons received for the same month in the prior year may be a better way of monitoring this account rather than simply reviewing monthly revenues since the septage gallons received drives the septage dollars received. Mr. Powell also noted conversations with other septage haulers indicating a slowdown in activity, and Mr. Shope reported that he has also heard from Derry Township that its septage revenues have been lower than anticipated. Chairperson Perrotto reflected that this was both good and bad; it was good in the sense that Annville was not doing anything wrong, but bad in the sense that there are not any apparent solutions currently to be found elsewhere in the industry. Mr. Powell also shared that Annville's rates for processing septage were lower than other WWTPs, giving Annville's plant an advantage over other municipal WWTPs for septage haulers looking for the best price. Chairperson Perrotto noted that the Authority would continue to review the septage gallons

received and resulting revenue for the months of June and July and determine at that point if additional measures are necessary for this revenue source. He also asked a question regarding the budget-to-actual revenues for both the Sewer Rentals and Laboratory Fees accounts. Regarding the former, Mr. Yingst noted that the Sewer Rentals account appeared to be running low due to a routine beginning-of-the-year adjusting journal entry that would be effectively reversed at year-end; without this entry, he reported that this account was currently projected to reach 100% of budgeted revenues. Regarding the latter, Mr. Yingst noted that this is billed quarterly and only the first quarter's invoice has been paid thus far.

**ACCOUNTS PAYABLE:** The Accounts Payable list for May 2015 was reviewed. Mr. Seward inquired about Check No. 10312 to the Susquehanna Municipal Trust and Mr. Yingst reported that this represented the quarterly workers compensation insurance payment. **MOTION** by Mr. Seward, second by Mr. Ludwig 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.

**WASTEWATER TREATMENT PLANT (WWTP) IMPROVEMENTS PROJECT:** The following items regarding the WWTP improvements project were discussed in detail:

**Payment Requisition:** An invoice summary was distributed on the WWTP improvements project, which included Payment Estimate No. 26 for Wickersham Construction, Inc., the final payment estimate for the general contract, in the amount of \$74,741.24 and for Gannett Fleming engineering services for the period ending May 1, 2015 in the amount of \$3,632.35. **MOTION** by Mr. Ludwig, second by Mr. Seward to recommend to the Board of Commissioners for payment the list of invoices for the WWTP improvements project as presented in the total amount of \$78,373.59. Motion carried unanimously.

**Completion Certificate and Final Certificate for the General Contract:** Mr. Yingst noted that a Completion Certificate and a proposed Final Certificate have been received for Contract No. 1, the general contract, with Wickersham Construction, Inc. He noted that the Solicitor's office reviewed these documents and recommended their execution by the Township. Mr. Ludwig asked if the "as-builts" had been received from the contractor and Mr. Shope indicated that he has received them. **MOTION** by Mr. Ludwig, second by Mr. Seward to recommend to the Board of Commissioners to approve and execute the Completion Certificate and Final Certificate for Contract No. 1 with Wickersham Construction, Inc. Motion carried unanimously.

**Escrow:** Mr. Yingst reported that the \$483,000 held in escrow by Lebanon County for the WWTP improvements project, along with the interest accrued on that escrow, was released to the Township Authority earlier in the month and has been deposited into the Sewer Capital Fund. Mr. Ludwig asked if this money was the source of the interest-free loan that the Authority had previously agreed to provide to the Township for the purchase of a combination roll-off and leaf waste vacuum truck and Mr. Yingst indicated that approximately \$250,000 of these funds had been approved by the Authority for that purpose, the majority of which would be reimbursed to the Township through a grant. Chairperson Perrotto asked if the remainder of the escrow had been set aside for any specific purposes and Mr. Yingst reported that the 2015 budget did not do

so, although any future encumbrances of this money could be discussed as part of the 2016 budget process.

**SUPERINTENDENT'S REPORT:** Mr. Powell reported that the WWTP is operating very well. He 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:** Mr. Powell briefly reviewed the April water sample numbers for Annville-Cleona High School (ACHS) and the May water sample numbers for Kindred Place. He noted that a surcharge would be applied to the next bill for ACHS and that no surcharge would be assessed to Kindred Place on its next bill, pending the oil and grease test results. Mr. Powell also reported that ACHS was considering installing a water meter specific to its kitchen area and he informed them that they would be responsible for providing readings from this meter to the Township.

**Reed Bed Usage Proposals by Other Municipalities:** Mr. Powell reported that he has received no further feedback from Lebanon City regarding the draft agreement for the use of reed beds at the WWTP for drying out the contents of Lebanon City storm sewer catch basins. He also reported that North Lebanon Township expressed interest in using the reed beds for the same purpose and inquired if the Authority would consider pursuing a similar agreement with North Lebanon as it is currently working on with Lebanon City. The Authority then discussed this in detail. Chairperson Perrotto inquired if there was adequate space on the reed beds for drying additional catch basin contents and Mr. Powell indicated he believed there would be. By way of example, Mr. Powell indicated that he was intending to clean the reed beds of Lebanon City's catch basin contents the prior week until heavy rains saturated the contents and required them to be dried further. Mr. Ludwig stated he was comfortable following Mr. Powell's judgment on whether to pursue an agreement with North Lebanon Township and Mr. Powell indicated that he was fine pursuing one. Mr. Seward asked if North Lebanon Township would haul the contents. Mr. Powell indicated that North Lebanon Township would be responsible for hauling the contents to the WWTP and Lebanon Farms Disposal would be responsible for hauling the contents to the landfill, for which North Lebanon Township would in turn be billed. **MOTION** by Chairperson Perrotto, second by Mr. Seward to authorize entering into an agreement with North Lebanon Township for its use of the Annville WWTP reed beds for the drying of storm sewer catch basin contents provided that the terms of such an agreement are deemed to be satisfactory by the Township Solicitor, the Superintendent of the WWTP, and the Township Administrator. Motion carried unanimously.

**Recommendation for Wage Increase:** Mr. Powell recommended that, as Keith Heck recently passed his laboratory supervisor testing, Mr. Heck be granted a pay increase to reflect this accomplishment as it benefits the operation and oversight of the WWTP. Mr. Ludwig stated that this is a significant achievement and that a pay increase should be awarded. The Authority then discussed this in detail, especially the possible timing and amount of such an increase. **MOTION** by Mr. Perrotto, second by Mr. Ludwig to recommend to the Board of Commissioners that Keith Heck be granted a 1% merit increase and be considered for an additional increase as part of his next annual employee performance review due to passing laboratory supervisor testing. Motion carried unanimously.

**SOLICITOR'S REPORT:** Nothing to report.

**ENGINEER'S REPORT:** Mr. Shope informed the Authority of the following items:

**WWTP Insurance Revaluation:** Mr. Shope reported that the final analysis of the updated replacement cost values for the WWTP has been completed and Mr. Yingst noted that this analysis was provided to the Township's insurance agent for purposes of revising the insurance coverage for the structures and equipment at the plant. Chairperson Perrotto inquired if there were any significant changes from what was presented at the previous month's meeting. Mr. Shope indicated there were not, although he reported that at the recommendation of the Township's insurance agent an amount for demolition, calculated at 10% of the total amount to be insured, was removed. Chairperson Perrotto asked if this amount should be included and Mr. Shope noted that it assumed full demolition, which was unlikely, and Mr. Yingst indicated such demolition may be covered by the umbrella policy. Mr. Yingst agreed to contact the Township's insurance agent regarding this question and also noted he would inform the Authority of the increase to the premium when this information becomes available.

**Revised Equivalent Dwelling Unit (EDU) and Tapping Fee Calculation:** At the request of the Authority from the previous month's meeting, Mr. Shope provided information on additional methodologies to be considered for calculating a residential EDU. Based on information provided by the Township Office, he presented two additional EDU calculations using 2014 residential water consumption in the Township. The first methodology involved dividing the water consumption by the number of water meters and the second methodology involved dividing the water consumption by the number of dwelling units. The calculation using the number of water meters resulted in a revised residential EDU of 139 gallons per day and the calculation using the number of dwelling units resulted in a revised residential EDU of 117 gallons per day. Mr. Shope noted that the actual average daily usage was somewhere between these two numbers as the Township was unable to determine which dwelling units were occupied for the entire year. He also compared these possible EDUs to the calculation he provided at the prior month's meeting that used the 2010 census data, which resulted in a revised residential EDU of 202 gallons per day. The Authority then discussed these revised EDU calculations at length, as well as aspects of the report that Mr. Shope had provided at the previous month's meeting recommending that the tapping fee be decreased from the current capacity and collection component rates of \$11.48 per gallon and \$13.93 per gallon, respectively, to revised capacity and collection component rates of \$8.81 per gallon and \$12.61 per gallon, respectively. The members of the Authority discussed the potential impacts that these revised EDU and tapping fee calculations may have on future tapping fee revenues as well as their desire that residential tapping fees be calculated in a manner consistent with non-residential tapping fees. **MOTION** by Mr. Seward, second by Mr. Ludwig to recommend to the Board of Commissioners that an ordinance be adopted revising the equivalent dwelling unit (EDU) to 202 gallons per day and the capacity and collection component rates of the tapping fee to \$8.81 per gallon and \$12.61 per gallon, respectively. Motion carried unanimously.

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

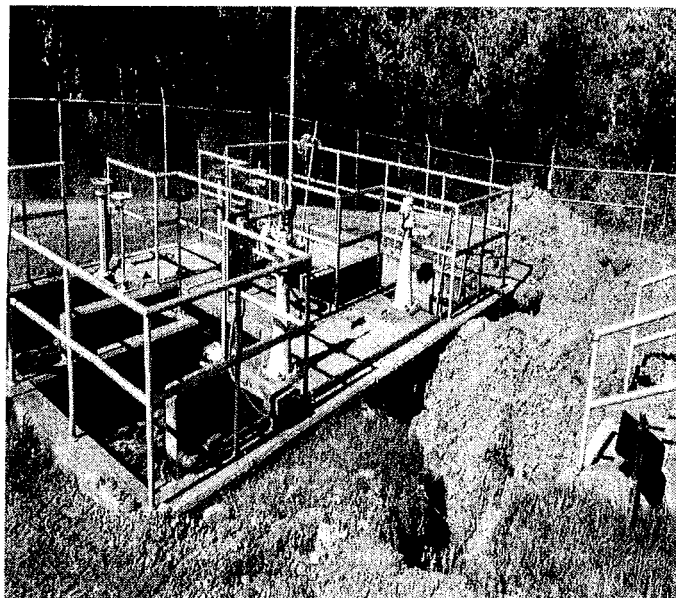
# ***ANNVILLE TOWNSHIP WASTEWATER TREATMENT PLANT***

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## **STATUS OF PENDING PROJECTS**

May 22, 2015

- (1) **SURCHARGE** We sampled ACHS & Kindred; results attached.
- (2) **HAULING** Hauled 43 loads 163,400 gals.
- (3) **PLANT WORK** First stage computer boards have been installed. We had to replace the air pipe going into chlorine tank, rotted away at thrust block. Replaced with plastic pipe.



- (4) **N LEBANON TWP.** N Lebanon Twp. would like to be able to empty their storm water catch basin debris at our plant. We could offer them the same agreement as we did Lebanon.
- (5) **KEITH HECK** Keith has passed his Lab Supervisor test. I would like to recommend a wage increase for him as this is something that has to be maintained just like a sewer license.
- (6) **FLOODING** On May 18 we had around 5" of rain fall in 30 min. The flow went up but the plant handled it well. We are going to look at the lines around Weaver St. Ulrich St. it just seems we had a lot of water coming into the system and the creek never went out of its banks.
- (7) **DEP INSPECTION** On May 4 we had an inspection by DEP. She went over the whole plant and biosolids. Everything looked good; would like to have a SOP for high water. We will have that in place by her next inspection
- (8) **LEBANON AGREEMENT** Still waiting on Lebanon agreement.

Respectfully Submitted,  
Les Powell Chief Operator

**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 April 28, 2015 Authority meeting 18 accounts were posted for shutoff; this was comprised of six customers who were under a payment contract but had not paid, eleven customers not under a payment contract with the Township, and one landlord/tenant customer. Mr. Yingst also noted that one delinquent account had its water service shut off earlier in the month and that this resulted in the customer paying nearly one-half (or \$300) of the total outstanding balance and the water service being restored. He concluded by reporting that over the past four weeks more than \$5,900 had been received from significantly past-due customers, including \$1,500 from BSW Holdings and \$800 from the Allen Theatre.

**MOTION** by Mr. Seward, second by Mr. Ludwig 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. Ludwig to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:33 PM.

  
(Assistant) Secretary