

**MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
June 23, 2015**

The June Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on June 23, 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; David Myers, Treasurer; 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 May 26, 2015 as presented. Motion carried unanimously.

SEWER FUND REPORT: The Authority reviewed the Sewer Fund Report for the period ending May 31, 2015 and questions pertaining to the Sewer Rentals, External Sewer Rentals, Administrative Fees, and Maintenance Contract revenue accounts were addressed. The following item was also discussed in detail:

Septage Received and Treatment Fees: The Authority reviewed and discussed Mr. Yingst's analysis of historic revenues and projected year-end revenues for the Treatment Fees account as well as the Superintendent's Report comparing the septage received in May 2015 with the septage received in May 2014. Based on this analysis, it was noted that—all things remaining equal—the projection for 2015 year-end revenues for this account were anticipated to be between \$25,000 and \$30,000 below budget. Chairperson Perrotto indicated a strategy needed to be developed to compensate elsewhere for this account's shortfall and Mr. Ludwig concurred. Mr. Yingst indicated this shortfall may ultimately be offset by the activity of other accounts, noting by way of example his expectation that the interest expense for the bridge loan would likely be well below budget. He also expressed his concern about making significant changes mid-year when much financial data had yet to be realized and evaluated. Mr. Seward observed that overall expenses were running below budget. Mr. Myers suggested that perhaps these concerns and potential strategies for addressing them could be revisited once three quarters of financial information is available; Mr. Yingst noted that doing so would incorporate this into the 2016 budget preparation process. The members of the Authority appeared to concur with this strategy.

ACCOUNTS PAYABLE: The Accounts Payable list for June 2015 was reviewed and questions were addressed regarding Check No. 10354 to Gannett Fleming, Inc. and Check No. 10385 to TSC Stores. **MOTION** by Mr. Seward, second by Chairperson Perrotto 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 PROJECT - PAYMENT REQUISITION: An invoice summary was distributed on the WWTP improvements project, which included pay estimates for Gannett Fleming engineering services for the period ending May 29, 2015 in the amount of \$2,531.20. Chairperson Perrotto inquired as to when the final engineering invoice pertaining to the project could be expected. Mr. Shope indicated that the majority of the remaining work is associated with the PENNVEST closeout process, which is now underway, and the final invoice would likely be issued in the next two to three months. **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 \$2,531.20. Motion carried unanimously.

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:

First Stage Blower Valve Control Boards: Mr. Powell reported that an invoice was received from North East Technical Sales, Inc. for parts and installation associated with the damaged control boards. As the boards are still not functioning properly Mr. Powell indicated he did not believe the invoice should be paid and has placed a number of telephone calls to North East informing them of this. The members of the Authority concurred with Mr. Powell's decision to withhold payment on the invoice until the boards are functioning properly and Chairperson Perrotto sought out Mr. Sheffey's thoughts on the situation. Mr. Sheffey indicated he agreed with the way Mr. Powell was handling things and suggested that a subsequent telephone call from Mr. Powell seek to discuss the situation with a higher authority at North East. Mr. Ludwig inquired if this was work covered by the warranty and Mr. Powell indicated it was not, but instead concerned the \$2,250 invoice discussed at previous Authority meetings, and that this was the amount of the invoice for which he was withholding payment. The details of the startup report associated with this work were then discussed by Mr. Powell, Mr. Shope, and the members of the Authority.

Omni Site: Mr. Powell reported that the alarm system for the main pump station currently runs off of a 2G network. As this network will no longer be available as of December 31, 2016, Mr. Powell recommended that a program be purchased that will enable Township employees to make the necessary upgrades to keep the alarm system functioning after that date. **MOTION** by Chairperson Perrotto, second by Mr. Ludwig to recommend to the Board of Commissioners that it approve the purchase of a program that will enable Township employees to upgrade the Omni site alarm system at the main pump station once the 2G network is no longer available at an estimated cost of \$225. Motion carried unanimously.

Reed Bed Usage Agreement with Lebanon City: Mr. Powell presented an agreement signed by Lebanon City pertaining to its use of the reed beds at the Annville WWTP for drying out the contents of its municipal storm sewer catch basins. He noted minor changes from a previous draft and indicated that it was ready to be signed by Chairperson Perrotto, following which point Mr. Powell would return it to Lebanon City.

ANNVILLE TOWNSHIP WASTEWATER TREATMENT PLANT

STATUS OF PENDING PROJECTS

June 19, 2015

- (1) **SURCHARGE** We sampled UCC Home, J&S Pizza, Annville Grill, Just Wing It, Corvette and Batdorf. Results attached.
- (2) **HAULING** Hauled 31 loads 117,800 gals.
- (3) **PLANT WORK** We are still having problems with First stage valves North East Tech is working on fixing problem. We have just received a bill from them for their work. I told them until they are working correctly they will not get paid for the work that was done.
- (4) **OMNI SITE** This is the alarm system that is on the main pump station. It runs off the 2g network. As of Dec 31, 2016 that network will no longer be available so we need to get the alarm system updated. It will cost \$225 to get the program and the plant personnel can update it.
- (5) **LEBANON AGREEMENT** Has to be signed

Respectfully Submitted,
Les Powell Chief Operator

Surcharges: Mr. Powell reviewed the May water sample numbers for the Annville Grille and J&S Pizza and the June water sample numbers for the Batdorf Restaurant, the Corvette Grille, and Just Wing It. Mr. Powell specifically addressed the high numbers sampled for Just Wing It, which calculated to a surcharge in excess of \$2,700. Noting that Just Wing It is a relatively new business to Annville and has not been assessed surcharges in the past, Mr. Powell suggested that the surcharge from the June sampling not be assessed to Just Wing It on its next bill and that he be given the opportunity to meet with them, showing them what their surcharge costs would have been as well as providing some housekeeping tips to lower their water sample numbers. Mr. Powell suggested that surcharges begin to be assessed to Just Wing It for any water samples taken subsequent to this meeting. The members of the Authority seemed to concur with this approach and they discussed whether the \$250 testing fee should still be charged to Just Wing It. Mr. Powell concluded by informing the Authority that he has started to do water sampling at Soprano's Pizza and will be meeting to discuss this with its owner shortly and Mr. Yingst then reviewed the surcharge amounts for the five entities sampled over the past month. **MOTION** by Mr. Myers, second by Mr. Ludwig to waive surcharges for Total Suspended Solids (TSS), Biochemical Oxygen Demand (BOD), and Fats, Oils, and Grease (FOG) for the July 1, 2015 sewer bill for Just Wing It but to assess the \$250 for testing fees to this bill. Motion carried unanimously.

Community Events: Mr. Ludwig expressed his appreciation to Public Works staff for the time they gave assisting with various community events over the past month. Mr. Powell noted that his staff recognizes their dependence upon the community and is happy to, in turn, give back to the community when able.

SOLICITOR'S REPORT: Mr. Sheffey informed the Authority of the following item:

Legal Actions Against Significantly Delinquent Customers: Mr. Sheffey provided a brief update on the lien against the property at 146 West Main Street for unpaid sewer and trash fees. He noted that checks in excess of \$4,600 have been received pertaining to this lien that have not yet been cashed because approximately \$20 of the lien remains to be satisfied. Mr. Sheffey reported that he has contacted the firm issuing the checks of this discrepancy but has not received a satisfactory response, so he recommended that the checks be deposited while the lien remains open. He also mentioned that he was working with the Township Office on a similar matter pertaining to the lien against the property at 125 North Railroad Street for unpaid sewer and trash fees.

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

Annual Report: Mr. Shope noted that the Annual Report for the WWTP is in the process of being written and will be ready for distribution at the July meeting. He provided the Authority with a brief overview of his inspection of the plant which will be the basis of the report.

Capacity Reservation Fee: Mr. Shope provided an update regarding the Authority's recommendation at its previous month's meeting 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,

noting that the Board of Commissioners concurred with the recommendation. He noted, however, that while the draft ordinance was being prepared it was realized that that a change to the EDU definition would also impact the calculation for the capacity reservation fee, as this fee is based upon the number of EDUs a developer wishes to reserve for a future project. Mr. Shope shared that the current capacity reservation fee is set at \$36 per EDU per quarter, although legally it could be raised to a maximum amount of 60% of the average quarterly user fee. As the average quarterly user fee (or minimum sewer bill) is currently \$174, the capacity reservation fee could be increased to \$104.40 per EDU per quarter. Mr. Shope asked if the Authority was interested in recommending a change to the capacity reservation fee as part of the ordinance it recommended for adoption at the previous month's meeting since both relate to the EDU amount. Mr. Ludwig noted developers were not required to enter into a capacity reservation fee agreement and, due to its voluntary nature, suggested that it be set at the highest rate allowed by law. **MOTION** by Mr. Ludwig, second by Mr. Seward to recommend to the Board of Commissioners that the ordinance being drafted to revise the EDU and the capacity and collection component rates of the tapping fee also include an amendment authorizing the capacity reservation fee to be set at the maximum rate permitted by law. Motion carried unanimously.

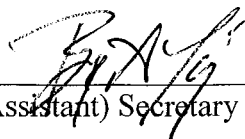
Capitalization of Interest: In reference to the Authority's earlier discussion concerning finances, Mr. Shope noted the PENNVEST financing for the WWTP project allocated several thousand dollars that could be used to pay interest costs before the project was completed. He further noted that, although the Authority had chosen to not request these funds to date, it could still do so if it saw the need for an influx of cash. The Authority discussed this briefly, with Mr. Yingst noting this possibility had been discussed as part of the 2015 budget preparation process and that the Authority decided not to pursue this as it would result in paying interest on the funds over the term of the financing. The Authority seemed in agreement that it did not wish to pursue this additional funding from PENNVEST.

CLERK'S REPORT: Mr. Yingst informed the Authority of the following item:

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 May 26, 2015 Authority meeting 22 accounts were posted for shutoff; this was comprised of six customers who were under a payment contract but had not paid, 11 customers not under a payment contract with the Township, and five landlord/tenant customers. Mr. Yingst also reported that over the past four weeks more than \$6,300 had been received from significantly past-due customers, including \$1,500 from BSW Holdings and more than \$1,200 from the Allen Theatre, which satisfied the latter's contract.

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 Chairperson Perrotto, second by Mr. Ludwig to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:25 PM.



(Assistant) Secretary