

**MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY**

October 27, 2015

The October Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on October 27, 2015 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: Anthony Perrotto, Chairperson; Hugh Rooney, Vice 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, Mike Mehaffey, and Ron Jager, Engineers 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: The Authority reviewed the minutes of the September 22, 2015 Regular Meeting. Chairperson Perrotto asked for clarification on page two of the minutes pertaining to the requirement that the Batdorf Restaurant must submit a bill to the Township Office indicating that the cost of the plumbing work exceeds \$412.33 if a waiver is to be granted. Mr. Yingst reflected that, as this was the cost of the surcharge waiver amount being requested by the Batdorf Restaurant, this language was included in the motion to insure that the amount of the waiver did not exceed the actual costs that the waiver was intended to mitigate. With no further comments noted, **MOTION** by Mr. Rooney, second by Mr. Ludwig to approve the minutes of the Regular Meeting held September 22, 2015 as presented. Motion carried unanimously.

SEWER FUND REPORT: The Authority reviewed the Sewer Fund Report for the period ending September 30, 2015. Mr. Ludwig inquired about the Chemicals expense account being at 88% of its annual budgeted amount and Mr. Yingst indicated that no additional costs were anticipated for this account in 2015.

ACCOUNTS PAYABLE: The Authority reviewed the Accounts Payable list for October 2015. Chairperson Perrotto inquired about the \$1,600 check issued to Elemech, Inc. and Mr. Powell indicated this pertained to the annual 2016 maintenance agreement for support and updates for the septage haulers' station that the Authority first approved in 2015. **MOTION** by Chairperson Perrotto, second by Mr. Rooney 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 October 2, 2015 in the amount of \$2,290.55. Mr. Shope noted that these costs primarily pertained to the Pennvest closeout process. Chairperson Perrotto inquired as to when the closeout process was anticipated to be completed and Mr. Shope indicated he was hoping for the end of the year, dependent upon smooth coordination with the Pennsylvania Department of Environmental Protection and

Pennvest. **MOTION** by Mr. Rooney, second by Mr. Myers 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 \$2,290.55. Motion carried unanimously.

SUPERINTENDENT'S REPORT: Mr. Powell reported that the WWTP is operating very well. He briefly reviewed the Monthly Report and the final permit year numbers for the plant's total nitrogen and total phosphorus limitations. 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: Mr. Powell reviewed the September water sample numbers for the Corvette Grille and the Batdorf Restaurant. He provided a brief update on his communications with Lou Rotunda concerning plumbing changes at the Batdorf Restaurant and Mr. Yingst reported that the first of four stipulations that must be met if the restaurant is to receive a surcharge waiver—namely, that the portion of the July 1, 2015 sewer bill surcharge not eligible for a waiver be paid in full—has been satisfied. Mr. Powell also reported he has been in touch with Mike Beare of the Corvette Grille and Mr. Beare has indicated he has not yet replaced the grease trap, as the Authority had stipulated if the fats, oils, and grease (FOG) portion of the surcharge from the Corvette Grille's July 1, 2015 bill is to be waived. Mr. Yingst reported that the Corvette Grille has not paid any portion of the July 1 surcharge, noting that the Authority did not grant a waiver on the non-FOG portions of the surcharge. Chairperson Perrotto asked if a grease trap had been ordered yet and Mr. Powell reported that Mr. Beare indicated it has been. Chairperson Perrotto asked if it would make sense for the Authority to reach out to Mr. Beare to remind him of his responsibilities if a waiver is to be granted. Mr. Rooney noted that while he did not want to micromanage the situation, the Authority had to set appropriate limits for these sorts of arrangements. Mr. Ludwig then discussed with Mr. Powell the latter's impression of whether Mr. Beare was proceeding in a timely fashion. Based upon this, Mr. Rooney suggested the Authority revisit this matter at the November Regular Meeting and consider at that point if it needs to consider revoking the surcharge depending upon Mr. Beare's compliance or lack thereof. Several members of the Authority discussed the possibility of sending a letter to the Corvette Grille in the meantime and Mr. Powell expressed his support for doing so. Mr. Sheffey suggested that such a letter require a proof of purchase for the grease trap and set a submission deadline prior to the next Authority meeting. After brief discussion by the members of the Authority, **MOTION** by Chairperson Perrotto, second by Mr. Rooney to instruct Mr. Yingst to send a letter to Mike Beare of the Corvette Grille (1) reminding him of the stipulations he must meet if a surcharge waiver is to be granted; (2) informing him that an invoice or proof of purchase for the grease trap must be provided to the Authority by November 16, 2015, or the waiver may be nullified; and (3) reminding him that the portion of the surcharge on the July 1, 2015 bill not pertaining to FOG was not granted a waiver. Motion carried unanimously.

First Stage Blower Valve Control Boards: Mr. Powell provided a brief report on the status of the continuing issues associated with the damaged control boards for the first stage blower valves. As an update to his comments on the Status of Pending Projects Report, he reported that the boards have been working properly since they were reset a week ago. The members of the Authority discussed this in detail and concurred with Mr. Powell's suggestion that the

ANNVILLE TWP.WASTEWATER TREATMENT PLANT

STATUS OF PENDING PROJECTS

October 22, 2015

- (1) **SURCHARGE** Sampled Corvette and Batdorf; results attached. I will be meeting with Lou from the Batdorf to go over his results within the next week. Corvette has not called about the progress on his grease trap. I am hoping to talk to him before meeting.
- (2) **HAULING** We hauled 55 loads 209,000 gals. to Heilbronn farm.
- (3) **PLANT UPGRADE** On Oct 13 John Dezi from North East Sales stopped by and replaced 2 control boards on the valves that are not working. The east tank stopped working the next day. I contacted John and I have heard nothing back from him at this time
- (4) **METHANOL PUMP** The Methanol system pumps are Geiger pumps. We had a lot of issues with this system from the start. The pumps are the lowest volume pump they have and I am having a lot of problems keeping them primed due to trying to run them at a low rpm. These pumps are just gear pumps so when you run them low they lose their prime and the gears wear out. We replaced the gears in the #1 pump last year and that gear just wore out last week. The gears cost around \$1,500 to replace. I would like to replace one of the pumps with a Bredel hose pump that is sized for the volume we need at a cost of \$8,150. Plant staff will install pump. We should be able to save some money on the methanol since we will have more control on the volume going in to the tank. Right now we have to run the pumps faster than they need to run to keep pumps from losing prime. The down side of this is we overdose the system with methanol which affects the BOD and Chlorine residual. After talking to the pump rep they are going to let us install the pump and run it for a month or two to see how it works. If it works good then we can purchase the pump and if not we give pump back with just the price of the hose.
- (5) **GLRA FARM** The farm should be ready for 30 day notice by the end of the month.

Respectfully Submitted,
Les Powell Chief Operator

outstanding North East Technical Sales, Inc. invoice be considered for payment when the Authority next meets if the boards continue to function properly over the next month.

Grantville Holiday Inn "Clean" Wastewater: Mr. Powell reported that the WWTP has been receiving wastewater originating from the Grantville Holiday Inn treatment facility, for which it charges the regular treatment rate of \$0.034 per gallon. He noted, however, that the wastewater received from the Holiday Inn treatment facility during the winter months is basically "clean", in that water is primarily run through its lines during those months. Mr. Powell reported he had been asked by the hauler if this wastewater could be charged at a lower rate and noted that the WWTP charges \$0.024 per gallon for clean wastewater originating from the ASK Foods facility. Mr. Ludwig inquired if Mr. Powell had any evidence verifying the lower concentration of the Holiday Inn's clean wastewater and Mr. Powell indicated he did based on testing when this wastewater was received the previous winter. Chairperson Perrotto asked if the \$0.034 per gallon rate could be charged until the clean wastewater was received, tested, and could be confirmed to be below the appropriate concentration level and Mr. Powell concurred with this suggestion. **MOTION** by Mr. Ludwig, second by Mr. Seward to authorize that clean wastewater originating from the Grantville Holiday Inn treatment facility be charged a treatment rate of \$0.024 per gallon provided that its concentration is determined to be below the existing clean wastewater concentration level. Motion carried unanimously.

Methanol Pumps: Mr. Powell described in detail ongoing issues with the methanol pumps that were installed as part of the WWTP improvements project. Mr. Shope indicated that the manufacturer of the pumps had provided assurances they would be sufficient for their planned use, although that has not been the case. Mr. Powell informed the Authority of a proposal to temporarily install and test a different type of pump that could ultimately be purchased if the testing proved satisfactory. He noted that the cost of purchasing the new pump would be approximately \$8,150, while the costs associated with testing the new pump would likely only be several hundred dollars at most. Since the problems with the current pumps have resulted in using more methanol than would otherwise be necessary, Mr. Powell estimated that a new pump would pay for itself in two years due to the anticipated methanol savings. Chairperson Perrotto inquired if there was any recourse with the manufacturer of the current pumps based upon their performance assurances. Mr. Shope responded that he did not believe there was a strong case to be made due to the time that had elapsed since the pumps were first installed. Chairperson Perrotto questioned why this ongoing problem had not been communicated to the manufacturer and he asked the Solicitor for his thoughts on the matter. Mr. Sheffey indicated that he could not comment on the pump's specifications since he had not seen them, but he noted that he believed installing and testing another pump on a temporary basis made sense. He also suggested that the Authority could simultaneously submit a letter to the manufacturer of the current pumps seeking financial relief as the product has not performed according to the manufacturer's assurances. Mr. Rooney asked if Mr. Yingst could draft the letter, and Mr. Sheffey concurred, noting that he would be happy to work with Mr. Yingst on this and ultimately submit it to the manufacturer under the Solicitor's signature. Mr. Myers asked if one month would be a sufficient test period to determine if the replacement pump was workable and Mr. Powell indicated he thought it was. **MOTION** by Chairperson Perrotto, second by Mr. Rooney to recommend to the Board of Commissioners that it (1) authorize the expenses associated with the installation of a temporary test pump to replace the existing methanol pump and (2) authorize the issuance of a letter to the

manufacturer of the existing methanol pump seeking financial relief due to the pump not operating according to the manufacturer's assurances. Motion carried unanimously.

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

Legal Actions Against Significantly Delinquent Customers: Mr. Sheffey provided brief updates on several liens for unpaid sewer and trash fees. Regarding the lien on the property at 125 North Railroad Street, formerly owned by Scott Hoffer, he reported that the remaining lien balance of \$1,011.46 has now been paid. He presented a check for this amount to Mr. Yingst, noting that this pertained to accrued attorneys' fees, and that he will notify the Prothonotary's Office that the lien has been satisfied. Regarding the lien on the properties on North King Street and West Church Street that are owned by BSW Holdings, Mr. Sheffey reported that BSW Holdings is again making \$1,500 monthly payments and the outstanding balance for these properties is now below \$6,600. Regarding the lien on the property at 524 West Queen Street, formerly owned by Gonzalo Carranza, Mr. Sheffey reported that the property is now owned by Fannie Mae. While he indicated he had not received payment in full from the current owner by October 9 as he had requested, he noted he would probably send one additional letter seeking payment before forcing an execution against the property. Finally, regarding filing a second lien against the former Dustin Shifflett property at 225 West Queen Street for unpaid sewer and trash fees not covered by the existing lien, Mr. Sheffey reported that this property is also currently owned by Fannie Mae. He indicated that the demand letter was issued several weeks earlier and the thirty day period for the owner to dispute the debt will expire in November, at which point the lien will be considered valid if the owner has not responded.

Agreement Regarding Overcharging of Tapping Fees to Liberty Station Developer: An agreement addressing the overcharging of tapping fees to the developer of Liberty Station was presented to the Authority for its review and comment. **MOTION** by Chairperson Perrotto, second by Mr. Myers to approve the Developer's Agreement with Narrows Glen, Inc. regarding the overcharging of tapping fees pertaining to Liberty Station as presented and to authorize its execution by the appropriate officials of the Township Authority. Motion carried unanimously.

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

Introduction of New Engineering Personnel: Mr. Shope introduced to the Authority Mike Mehaffey, Gannett Fleming's project manager who will be replacing Mr. Shope as the lead engineer to the Annville Township Authority upon his retirement, and Ron Jager, Gannett Fleming's principal-in-charge for the Township Authority. He also spoke briefly of Mr. Mehaffey's involvement with the WWTP improvements project in Annville and his experience elsewhere and Chairperson Perrotto extended a welcome to him on behalf of the Authority.

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 September 22, 2015 Authority meeting 19 accounts were posted for shutoff; this was comprised of nine customers who were under a payment contract but had not paid, six customers not under a

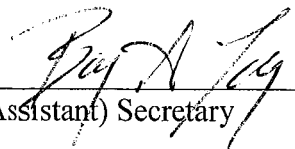
payment contract with the Township, and four landlord/tenant customers. Mr. Yingst concluded by reporting that over the past five weeks more than \$4,700 had been received from significantly past-due customers, including \$1,500 from BSW Holdings.

2016 Tentative Budgets - Sewer Fund and Sewer Capital Fund: Mr. Yingst provided an update on the 2016 Sewer Fund and Sewer Capital Fund budgets. He noted that these budgets were reviewed by the Board of Commissioners on October 13, 2015 and were tentatively adopted by the Board at that time. He further noted that the Board will hold a Public Hearing to discuss all 2016 budgets at 7:00 PM on November 2, 2015 and anticipates official adoption of the 2016 budgets on December 7, 2015. Mr. Yingst indicated that slight changes were made to both the Sewer Fund budget and the Sewer Capital Fund budget since they were first presented to the Township Authority at its September meeting due to information received subsequent to that meeting. He then briefly discussed the reasons for these changes with the members of the Authority, noting that the Sewer Fund budget remains balanced with a 2016 transfer to the Sewer Capital Fund budgeted in the amount of \$38,099. **MOTION** by Mr. Rooney, second by Mr. Seward to recommend to the Board of Commissioners that the 2016 tentative budgets for the Sewer Fund and the Sewer Capital Fund be officially adopted as presented. Motion carried unanimously.

Authorization of Purchase of Public Works Truck: Noting that the Board of Commissioners had authorized same contingent upon approval by the Township Authority, **MOTION** by Mr. Seward, second by Mr. Ludwig to authorize the purchase of a 2016 Ford F-250 XL truck at an estimated cost of \$37,912, the cost to be shared equally between the Liquid Fuels Fund and the Sewer Capital Fund in 2016. Motion carried unanimously.

MOTION by Mr. Myers, second by Mr. Seward 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. Ludwig, second by Mr. Rooney to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:11 PM.



(Assistant) Secretary