

**ANNVILLE TOWNSHIP AUTHORITY**  
**AGENDA**  
**June 27, 2017**

Announced Visitor(s): None announced

1. Call to Order – 5:30 PM
2. Public Comment
3. Minutes – May 23, 2017
4. Sewer Fund Report
5. Accounts Payable
6. Superintendent's Report
  - Surcharges
  - Biosolids Database Agreement
  - Nutrient Credit Trading
  - Sludge School
  - Preventative Maintenance Agreement for Main Sewage Pumps
7. Solicitor's Report
  - Legal Actions Against Significantly Delinquent Customers
  - Municipal Separate Storm Sewer System (MS4)
8. Engineer's Report
9. Clerk's Report
  - Delinquent Report
  - Investment of Sewer Capital Fund Monies with Edward Jones
  - Investment of Sewer and Sewer Capital Fund Monies with PLGIT
10. Adjournment

**MINUTES OF THE ANNVILLE  
TOWNSHIP AUTHORITY  
June 27, 2017**

The June Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on June 27, 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. Seward, second by Mr. Perrotto to approve the minutes of the Regular Meeting held May 23, 2017 as presented. Motion carried unanimously.

**SEWER FUND REPORT:** The Authority reviewed the Sewer Fund Report for the period ending May 31, 2017. Mr. Perrotto asked about the difference between the Laboratory Fees revenue account and the Laboratory Testing Services expense account per the Sewer Fund income statement. Mr. Yingst indicated the former pertains to a quarterly fee charged to Pennsy Supply for testing the WWTP laboratory performs for it and the latter pertains to costs incurred for outside testing that cannot be performed by the WWTP laboratory, a large portion of which represents sampling for Fats, Oils, and Grease (FOG) on businesses and institutions in the Township. He noted this expense account is trending overbudget and is projected to be in excess of \$10,000 by year-end, which is similar to total expenses for this account prior to 2013, and he further noted this increase was due to a more consistent and thorough sampling and testing program. Mr. Yingst concluded by indicating these increased testing expenses were pertinent to an ongoing discussion on the sampling and testing fee that would be addressed later in the meeting.

**ACCOUNTS PAYABLE:** The Accounts Payable list for June 2017 was reviewed. **MOTION** by Mr. Rooney, 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 that the WWTP is operating very 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:

**Nutrient Credit Trading:** After a summary by Mr. Powell of the potential nutrient credits that could be generated by the WWTP through the end of the permit year, Mr. Mehaffey shared information on how these credits could be sold to generate additional income. The latter reminded the Authority it had entered an agreement with Pennvest the prior year to allow for the 50%/50%

## **ANNVILLE TOWNSHIP WASTEWATER TREATMENT PLANT**

### **STATUS OF PENDING PROJECTS**

**June 22, 2017**

- (1) **SURCHARGE** We sampled Annville Grille, Batdorf, Corvette, J&S, Just Wing It, Napoli's, Salsa's, and UCC; results attached.
- (2) **HAULING** No hauling for May.
- (3) **LAB BIOSOLIDS UPGRADE** The program we use to track the biosolids that we put on the fields has not been updated since 2004. Material Matters gave me a price to upgrade the software and training at a cost of \$8,950; they will spread the billing out over a three-year period (see attachment).
- (4) **PLANT OPERATIONS** The operation of the plant is running very well; we have generated some estimated credits for P (88) and N (1,705) and sent them to Mike from GF to see what options we have. Also had to replace one air valve motor on second stage south AT (see attachment).
- (5) **SCHOOLING** I would like to send three guys to activated sludge school so they can get credits for their license at a cost of \$190 apiece.
- (6) **MAIN PUMPS** I would like to have Envirep do yearly preventive maintenance on the main sewage pumps for a price of \$1,195. These pumps are new and have a lot of electronics on them; it might be more cost effective to have them do the PM so we know when things are going out and catch them before they damage other parts in the pumps (see attachment).

Respectfully submitted,  
Les Powell, Chief Operator

sharing of any revenues generated from the sale of credits. Mr. Mehaffey indicated that less nutrient credits are available than in the past, meaning the cost of credits has increased and the market thus favors sellers such as the Authority. While he noted that such credits could be sold via the Pennvest auction site, most buyers prefer the ease of dealing directly with sellers and he recommended he approach potential buyers over the next few months to gauge their interest in such a sale. The members of the Authority concurred with this suggestion. Mr. Mehaffey indicated he would do so and shared that there also would be an opportunity for the sale of additional credits in the "truing up" period immediately following the end of the permit year in September. Mr. Yingst asked how Pennvest would be paid for a sale. Mr. Mehaffey indicated the Authority would need to notify Pennvest of the sale and disburse to Pennvest its 50% share from the proceeds of the sale upon receipt of payment from the buyer.

**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, Salsa's Mexican Grille, 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 July 1, 2017 sewer bills. Mr. Rooney noted that for several of these entities the \$250 sampling and testing fee was significantly higher than the actual surcharge pertaining to the WWTP's cost to treat the effluent and questioned the fairness of this. Mr. Powell described the costs incurred by the Authority that the sampling and testing fee recovered. Mr. Yingst noted the sampling and testing fee was waived for customers if there was no surcharge to treat the effluent, but he concurred that the fairness of the current sampling and testing fee requirements were worth reviewing and would be addressed in more detail later in the meeting as a continuation of this conversation from the prior month's meeting.

**Biosolids Database Agreement:** Mr. Powell presented a proposed agreement from Material Matters, Inc., for the licensing of a database for biosolids management. He reported the current database was operating on an outdated operating system on an old computer, and although the WWTP had obtained new computers as part of the Township's three-year computer replacement cycle, the age of the current database could not be moved to a new computer. In effect, this meant an old computer was being maintained solely for the biosolids management database and this data could be difficult to recover if this computer crashed. Mr. Perrotto and Mr. Myers asked what the current program did and Mr. Powell provided a brief overview. He noted it was used for required reporting to the Pennsylvania Department of Environmental Protection and helped to monitor and ensure the proper application of biosolids onto farmers' fields, which could then be shared with farmers as evidence that the application was not harming their crops. The Authority then reviewed the proposed agreement. It was noted that under a three-year payment structure the first-year cost would be \$3,760 and the second- and third-year costs would be \$3,060 annually, totaling \$9,880. It was further noted the total cost if paid as a lump sum would be \$8,950, and Mr. Yingst indicated he believed the Sewer Fund could bear that cost in 2017 and not have its overall expenditures exceed overall revenues. **MOTION** by Mr. Seward, second by Mr. Myers to recommend to the Board of Commissioners it (1) authorize the lump sum payment agreement with Material Matters, Inc., at a cost of \$8,950 as presented and (2) authorize the execution of this agreement by the appropriate Township officials. Motion carried unanimously.

**Sludge School:** At the recommendation of Mr. Powell, who noted this education would result in necessary credits for the operator licenses of three employees, **MOTION** by Mr. Rooney, second by Mr. Seward to recommend to the Board of Commissioners it authorize Les Powell, Keith Heck, and Christopher Koehler to attend sludge school offered by the Pennsylvania Rural Water Association on August 15, 2017 at a cost of \$190 per participant. Motion carried unanimously.

**Preventative Maintenance Agreement for Main Sewage Pumps:** Mr. Powell presented a proposed agreement from Envirep TLC for annual preventative maintenance for the main sewage pumps at an annual cost of \$1,195. Noting how the electrical component of the pumps necessitated paying an electrician to address repairs after a problem arose, he recommended a more proactive strategy of entering into an annual maintenance agreement in the future and suggested it be included as part of the 2018 budget. **MOTION** by Chairperson Ludwig, second by Mr. Seward to authorize inclusion of annual preventative maintenance for the main sewage pumps in the 2018 budget. Motion carried unanimously.

**Sampling and Testing Fee:** The Authority revisited a discussion from the prior month's meeting regarding the assessment of the \$250 sampling and testing fee as required by the Annville Township Code for customers who exceed the limitations on Total Suspended Solids (TSS), Biochemical Oxygen Demand (BOD), and Fats, Oils, and Grease (FOG) as well as the current Township limitations on TSS and BOD. As the Authority had requested, Mr. Powell and Mr. Yingst presented information on the average BOD and TSS effluent numbers for each sampled entity over the past three years and the commercial and industrial BOD and TSS limitations currently in place for other authorities in the area. Regarding the latter, Mr. Yingst reported that the three authorities who responded to his survey had limitations in place very similar to those in Annville and thus he did not think it prudent to change the current limitations. The Authority concurred and then reviewed the historical surcharges for TSS, BOD, and FOG in comparison to the sampling and testing fees charged to the eight entities receiving a surcharge on their July 1, 2017 sewer bills. During this review, Mr. Perrotto revisited his proposal from the prior month's meeting whereby an entity would not be charged a testing and sampling fee if had a total TSS, BOD, and FOG surcharge less than a certain amount for two consecutive testing periods. After concluding the review and based upon the historical data, he recommended this amount be set at \$25. Mr. Perrotto also suggested that any entities meeting these criteria would be sampled every six months instead of quarterly, to reduce the Authority's outside testing costs, with the quarterly testing resuming upon the aforementioned criteria no longer being met. Mr. Myers asked what would be the starting point for this new analysis and it was agreed it would take into account the two testing periods immediately prior to the adoption date of a new ordinance that memorialized these changes. At the request of Chairperson Ludwig, Mr. Yingst indicated the cover letters that were mailed to those entities who were sampled along with their testing results would be revised to share this new information with them upon the adoption of a new ordinance. **MOTION** by Mr. Perrotto, second by Mr. Rooney to recommend to the Board of Commissioners it authorize the preparation and advertisement of an ordinance waiving the sampling and testing fee on the subsequent sewer bill for an entity whose total surcharge for TSS, BOD, and FOG is less than \$25 for consecutive testing periods. Motion carried unanimously.

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

**Legal Actions Against Significantly Delinquent Customers:** Brief updates were provided on several liens for unpaid sewer and trash fees.

**144 Water Street:** Regarding the lien against the Forbes property at 144 Water Street, Mr. Lamoureux reported the claim was filed on June 23, 2017 and a letter was issued that day informing the owner that attorneys' fees would be assessed if the claim was not paid in full within 30 days. He also reported the Sheriff's Sale for this property has been continued until August 8, 2017.

**1296 East Main Street:** Regarding the lien against the Williams property at 1296 East Main Street, Mr. Lamoureux reported this property sold at Sheriff's Sale on June 13, 2017 and the Township is waiting on the distribution schedule to see if the lien was granted appropriate priority by the Sheriff. The Authority then discussed with the Solicitor his interpretation of the law that governed the distribution for municipal claims and how that differed from that of the Sheriff. Mr. Lamoureux noted the Township Office had been contacted by the realtor for the property and subsequent to this Mr. Yingst provided the realtor with information on the amount of the lien; as such, the lien may be paid either by the Sheriff's Office or the realtor for the property. If payment is not forthcoming from any of these sources, Mr. Lamoureux noted this matter would be taken to the Court of Common Pleas for a determination on the responsibility of the Sheriff's Office to make such payments for this Sheriff's Sale and those in the future.

**BSW Holdings:** Regarding the lien against the properties on North King Street and West Church Street that are owned by BSW Holdings, Mr. Lamoureux and Mr. Yingst reported that payment in the amount of \$317 was received since the prior month's meeting, reducing the balance of unpaid legal fees on this lien from \$1,317 to \$1,000 and an additional payment was promised before the end of the month.

**Municipal Separate Storm Sewer System (MS4):** Mr. Lamoureux reported that the intermunicipal agreement for the implementation of the Lebanon Area Regional Pollutant Reduction Plan was finalized and the Board of Commissioners was scheduled to adopt it via an ordinance at its July 3, 2017 meeting. Mr. Yingst reported that Township Engineer Kent Morey of SSM Group would attend the July 25, 2017 meeting of the Authority to discuss how it wished to proceed regarding a fee mechanism to fund the MS4 program.

**ENGINEER'S REPORT:** Mr. Mehaffey indicated he did not have anything further to report in addition to his earlier comments about nutrient credit trading.

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

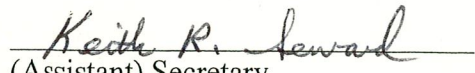
**Delinquent Report:** Mr. Yingst informed the Authority of the measures taken by the Township Office over the past month to collect on delinquent accounts. He noted that since the May 23, 2017 Authority meeting 31 accounts were posted for shutoff; this was comprised of four customers who were under a payment contract but had not paid, 15 customers not under a payment contract with the Township, and 12 landlord/tenant customers. Mr. Yingst concluded by reporting that over the past five weeks more than \$5,100 had been received from significantly past-due customers, including \$400 for the Allen Theatre and related properties.

**Investment of Sewer Capital Fund Monies with Edward Jones:** Mr. Yingst informed the Authority that several certificates of deposit representing the investment of Sewer Capital Fund monies with Edward Jones had matured and, using his authority as the official list holder for these accounts, meaning the official authorized to make decisions, he rolled over some of these funds into new certificates of deposits while retaining roughly \$74,000 in a money market account with Edward Jones so these funds were available, be it for costs associated with MS4 or otherwise. **MOTION** by Mr. Perrotto, second by Mr. Rooney to recommend to the Board of Commissioners it ratify rolling over Sewer Capital Fund investments with Edward Jones and authorize the Township Administrator to do so going forward in his role as official list holder for these accounts. Motion carried unanimously.

**Investment of Sewer and Sewer Capital Fund Monies with Pennsylvania Local Government Investment Trust (PLGIT):** Mr. Yingst informed the Authority he met with a PLGIT representative earlier in the month to evaluate if the Sewer Capital Fund monies not currently being invested with Edward Jones (approximately \$34,000) and a portion of the Sewer Fund balance not immediately necessary for paying invoices could be invested in a PLGIT-PRIME account at a higher rate of return (roughly 1%) than with a bank while maintaining the liquidity of the funds. He noted that Mr. Lamoureux had reviewed the securities in which PLGIT would be investing and was comfortable this was within the stipulations of the First Class Township Code. **MOTION** by Mr. Seward, second by Mr. Myers to recommend to the Board of Commissioners it authorize (1) establishing PLGIT-PRIME options for the existing Sewer Fund and Sewer Capital Fund PLGIT accounts and (2) moving \$400,000 in Sewer Fund monies to a PLGIT-PRIME account and the balance of Sewer Capital Fund monies not invested with Edward Jones to a PLGIT-PRIME account. Motion carried unanimously.

**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. Rooney, second by Mr. Perrotto to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:28 PM.

  
(Assistant) Secretary