

**MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
September 25, 2018**

The September Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on September 25, 2018 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: David Myers, Chairperson; Anthony Perrotto, Vice Chairperson; Hugh Rooney, Secretary; Barry Ludwig, Treasurer; and Anthony Deaven, 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); Joseph Viozzi, Public Works Department; Corey Lamoureux, Esq., Township Solicitor; and Nicholas Sahd, Engineer with Gannett Fleming.

Chairperson Myers called the meeting to order and led those present in the Pledge of Allegiance to the flag of the United States of America.

OPPORTUNITY FOR PUBLIC COMMENT: Chairperson Myers provided an opportunity for public comment and no comments were noted.

MINUTES: MOTION by Mr. Rooney, second by Mr. Ludwig to approve the minutes of the Regular Meeting held August 28, 2018 as presented. Motion carried unanimously.

FINANCIAL REPORTS: The Authority reviewed the income statements and balance sheets for the Sewer Fund, Sewer Capital Fund, and MS4 Fund for the period ending August 31, 2018. Mr. Yingst noted that the significant costs for the Sewer Fund Repair & Maintenance expense account were due to the approved rental of dewatering equipment and the cleaning of reed beds in advance of the construction of the dewatering building. In response to questions from Mr. Perrotto and Mr. Deaven, Mr. Yingst indicated he projected that the Sewer Rentals revenue account would exceed its 2018 budgeted amount and the Sewer Fund would have an excess of revenues over expenditures following the year-end audit.

ACCOUNTS PAYABLE: The Accounts Payable list for September 2018 was reviewed. Mr. Perrotto asked about Check No. 11975 to Weaver's Lawn & Garden in the amount of \$1,246.60 and Mr. Powell indicated this pertained to repairs to a damaged wheel drive on a lawnmower. **MOTION** by Mr. Deaven, second by Mr. Rooney that the list of vendors to be paid (Cash Disbursements Journal) for the Sewer Fund, Sewer Capital Fund, and MS4 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, noting that while the plant would be well below its allowed level of Total Phosphorus (TP) for the permit year, the level of Total Nitrogen (TN) was at 97% through August, representing 11 months, and based upon monitoring this level throughout September it appeared it might exceed the allowable level by a small amount. Mr. Powell indicated this was due to elevated flows from the extraordinarily wet weather of the past few months and he anticipated no more than 100 credits would need to be purchased, with such credits currently estimated to cost about \$2.50 per credit. Mr. Yingst asked when Mr. Powell would know if the TN level had been exceeded and Mr. Powell indicated it would certainly be before the October Authority meeting, and possibly within two weeks. Noting a proposal in the amount of \$1,700 had been received from Material Matters for finding, negotiating, and finalizing the purchase of

TN credits for the Authority, Mr. Perrotto asked if the understandable desire to save costs on treatment product was resulting in spending more on a consultant for services such as this and if it was financially prudent to spend a bit more on product in the future. Mr. Powell concurred, noting the 2019 budget included an increase for methanol for this very reason. He also indicated he would prefer not to use Material Matters to purchase credits and that the proposal was simply for the benefit of identifying what the costs of one particular option were. Mr. Powell stated that Gannett Fleming could assist the Authority with this for a lower price than Material Matters, and he hoped to deal directly with another plant that might have credits to sell, noting the Authority did this several years prior with the Derry Township Municipal Authority and the template for the agreement used for that purchase could likely be used should another purchase be necessary. Mr. Deaven asked what the consequences would be should the permit limitations be exceeded and credits were not purchased and it was noted a significant violation from the Pennsylvania Department of Environmental Protection (DEP) would be likely. Mr. Perrotto also noted the increased revenues from septage haulers on the Report and thanked Mr. Powell for his efforts with this.

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 item was discussed in detail:

Surcharges: The Authority reviewed the results of the latest samplings for the Annville Grille, Batdorf Restaurant, Corvette Grille, Just Wing It, Kabob Corner, Napoli's Pizza, Rotunda Brewing Company, Sam's Diner, the Lebanon Valley (UCC) Home, and Veterans of Foreign Wars (VFW) Post 8023. Mr. Yingst reported that copies of these sampling results were mailed to these entities earlier in the month and based upon these results surcharges would be assessed to their October 1, 2018 sewer bills, except for Napoli's Pizza and the VFW, neither of which exceeded any of the Township limitations.

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

Legal Actions Against Significantly Delinquent Customers: Regarding the lien against the Forbes property at 144 Water Street, Mr. Lamoureux noted no payments were made over the past month regarding the outstanding balance of \$931.89, which was comprised of legal and filing fees.

Bond Counsel Proposal from Eckert Seamans: Mr. Lamoureux presented a proposal from Eckert Seamans to serve as bond counsel for the dewatering building and equipment project. He explained the services Eckert Seamans would provide, noting the firm would be paid a flat fee of \$12,500 in addition to reimbursable costs not anticipated to exceed \$2,000. He also explained that while he wished he could provide this service for the Authority, due to the nature of bond counsel work he believed Eckert Seamans had more experience with this specific aspect of the law. Mr. Lamoureux noted in the past Rhoads and Sinon had been used as bond counsel and, as that firm has since dissolved, much of its bond counsel team was now working at Eckert Seamans. He noted his belief the proposed cost for this service was competitive and, based upon a good history with this bond counsel team, he was recommending it be used for this financing, further noting this meant he would not be significantly involved in this aspect of the project and, as such, there would be no redundancy in billing. **MOTION** by Mr. Perrotto, second by Mr. Ludwig to approve the

ANNVILLE TWP. WASTEWATER TREATMENT PLANT

STATUS OF PENDING PROJECTS

September 20,2018

- (1) **SURCHARGES** Attached are the results for Annville Grille, Batdorf, Corvette, Just Wing It, Kabob Corner, Napoli's, Rotunda Brewing Company, Sam's Diner, Lebanon Valley (UCC) Home, and VFW.
- (2) **HAULING** Hauled 27 loads/91,800 gallons to the Hershey farm.
- (3) **PLANT OPERATIONS** The plant has been operating very well with all the rain we have been having.
- (4) **CREDITS** With all the rain that we had this year and the flows being high we might have to buy a couple of credits for nitrogen. We will need maybe 500 pounds. We contacted Material Matters to give us an estimate on what it will take to purchase them (see attached).
- (5) **BAR SCREENS** Bar screens are installed and working very well.

Respectfully submitted,
Les Powell
Chief Operator

proposal from Eckert Seamans as presented and to recommend to the Board of Commissioners it concur. Motion carried unanimously.

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

Dewatering Equipment and Building: Mr. Sahd provided an update on the dewatering equipment and building project. He noted that he coordinated with the equipment sales representative and manufacturer vendors to obtain final equipment component specifications and pricing, which were used to update the cost estimate and to develop the preliminary layout of the building, the latter item having been provided to the members of the Authority. Mr. Sahd noted this last item showed the dewatering platform, for which design had begun on a galvanized structural steel platform with galvanized grating. He noted the design was approximately 50% complete and vibration analysis would likely be done in several weeks, resulting in an anticipated finalization of the design in mid-October. He also noted specifications are being developed for COSTARS procurement of the equipment package based upon draft specifications provided by Ed Zalewski of Sherwood Logan. Mr. Sahd provided an anticipated schedule for the project that he reviewed with the Authority, noting it was updated to reflect a three week delay due to the need for stormwater permitting and that he anticipated construction could begin in early-Spring 2019 with start-up in late-August 2019. Regarding the stormwater permitting, he indicated the initial feedback from DEP was that stormwater can be discharged to the reed beds, which would avoid construction of a retention basin. This would mean his earlier estimate of \$5,200 for stormwater design and permitting was likely high, and he would provide a revised estimate as it had not been included in the earlier cost estimate. Mr. Sahd then reviewed the \$1,240,000 cost estimate (which did not include engineering, legal, and financing costs, or the aforementioned stormwater design and permitting costs).

MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4) REPORT:

MS4 Fee Appeal for Property at 145 Water Street: Mr. Yingst reported an MS4 fee appeal form was received from Matt Clements on September 10, 2018 for his property at 145 Water Street. The Authority discussed the nature of this appeal, noting that while Mr. Clements indicated on the appeal form the property was vacant due to destruction incurred by Tropical Storm Lee in 2011, impervious surface such as a shed and a cement slab remained on the property. **MOTION** by Mr. Perrotto, second by Mr. Ludwig to deny the MS4 fee appeal for the property at 145 Water Street and to inform Mr. Clements that he can submit another appeal for the property should the impervious surface that is currently on it be removed. Motion carried by a vote of four to zero with Chairperson Myers, Mr. Perrotto, Mr. Rooney, Mr. Ludwig voting in favor of the motion and Mr. Deaven abstaining.

MS4 Fee Appeal for Norfolk Southern Property: Mr. Yingst reported a complete MS4 fee appeal was received from Norfolk Southern following the prior month's Authority meeting. The Authority then discussed the appeal in detail, which consisted of Norfolk Southern believing its ballasted tracks did not constitute impervious surface due to testing it performed elsewhere. Mr. Yingst noted Norfolk Southern was willing to perform testing of its ballasted tracks in Annville Township to determine if those results from elsewhere could be reproduced with the local geology, but that an extension of the appeal timeframe would be necessary to allow for this testing and its

review by the Township Engineer. He also indicated the Township Engineer would be involved to ensure such testing would determine whether there was adequate infiltration into the ground below the ballasted tracks and would have clear expectations as to what results would constitute pervious versus impervious surface. In response to a question from Mr. Perrotto, Mr. Yingst indicated that, if such results should determine the ballasted tracks were pervious in nature, the Township could attempt to revise its pollutant reduction plan with DEP to account for this. **MOTION** by Mr. Deaven, second by Mr. Ludwig to extend the appeal period for the Norfolk Southern MS4 fee appeal, per Norfolk Southern's request, by an additional 60 days to allow it to perform testing of its ballasted tracks in Annville Township and for adequate time for review of the test results. Motion carried unanimously.

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 August 28, 2018 Authority meeting 26 accounts were posted for shutoff; this was comprised of five customers who were under a payment contract but had not paid, 18 customers not under a payment contract with the Township, and three landlord/tenant customers. Mr. Yingst concluded by reporting that over the past four weeks more than \$3,100 had been received from significantly past-due customers.

Location of Cellular Tower on WWTP Property: Mr. Yingst reported the Board of Commissioners approved an Option Agreement with P3 Towers providing for a \$100 per year ground lease and revenue sharing whereby the Township will receive \$1,500 of the monthly rent collected from the first tenant subleasing or licensing space on the tower and \$300 of the monthly rent for each subsequent tenant.

Authorizing Requests for Proposals (RFPs) for Dewatering Project Financing: Mr. Yingst shared the anticipated financing schedule for the dewatering project, noting that RFPs were scheduled to be issued the followed day; the RFPs were due by October 17, 2018; that Daryl Peck of Concord Public Finance anticipated meeting with the Authority at its October 23, 2018 meeting so it could review the proposals and make a recommendation to the Board of Commissioners; that acceptance of a proposal and enactment of a debt ordinance was anticipated for the November 7, 2018 meeting of the Board of Commissioners; and that financing would be closed on December 6, 2018. Noting that the overall project cost was anticipated to be around \$1,400,000, Mr. Yingst shared why he believed paying for approximately \$600,000 of these costs out of the Sewer Capital Fund and financing the remaining \$800,000 over a twenty-year term was appropriate. Mr. Deaven inquired about the possibility Mr. Peck raised at an earlier meeting of issuing RFPs for a higher amount than was necessary. Mr. Yingst indicated that he did not believe a higher financing amount would be necessary due to the project costs being clarified as the process progressed, and that the Sewer Capital Fund could address any such overruns. **MOTION** by Mr. Perrotto, second by Chairperson Myers to authorize Concord Public Finance to issue Requests for Proposals for \$800,000 for a twenty-year term to finance the dewatering project. Motion carried unanimously.

2019 Draft Budgets - Sewer Fund, Sewer Capital Fund, and MS4 Fund: Mr. Yingst presented the 2019 draft budgets for the Sewer Fund, Sewer Capital Fund, and MS4 Fund for the Authority's

review and comment. He noted the first two of these draft budgets were prepared with input from Mr. Powell and were based upon historical analytics. He further noted the budget for the MS4 Fund involved very rough estimates due to the limited activity for this fund thus far. Mr. Yingst reported these draft budgets would be reviewed by the Board of Commissioners at its October 16, 2018 Special Meeting. He stressed that, as these draft budgets were being provided to the Authority with more than a quarter of the year remaining, the numbers presented would inevitably change as the budget process continued and more information became available. With that in mind, Mr. Yingst noted the 2019 draft budget for the Sewer Fund was balanced with the \$66,289 surplus of revenues over expenses being budgeted as a year-end contribution to the Sewer Capital Fund. He indicated this was done with no increase projected to the quarterly Sewer Rentals fee, which would represent the fourth consecutive year of no fee increase. Mr. Yingst also noted that, as the budget is using estimates for the cost of health insurance, the surplus figure may change once the actual 2019 figures become known in early-October. He concluded by noting that a 2018 year-end surplus of approximately \$50,000 was also forecast for the Sewer Fund.

MOTION by Mr. Ludwig, second by Mr. Perrotto 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. Perrotto to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:46 PM.


(Assistant) Secretary