

**DRAFT MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
June 26, 2018**

The June Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on June 26, 2018 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: 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; Michael Mehaffey, Engineer with Gannett Fleming; and Rex Moore, Township Commissioner.

Vice 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.

OPPORTUNITY FOR PUBLIC COMMENT: Vice Chairperson Perrotto provided an opportunity for public comment and no comments were noted from those in attendance.

MINUTES: MOTION by Mr. Ludwig, second by Mr. Deaven to approve the minutes of the Regular Meeting held May 22, 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 May 31, 2018. Mr. Ludwig asked why the Chemicals account in the Sewer Fund was already at 76% of its budget. Mr. Yingst indicated this was due to the WWTP's large annual purchase of methanol and noted a smaller purchase of methanol might be made toward the end of the year. Mr. Ludwig also inquired why the Engineering Services account in the Sewer Fund was significantly overbudget and Mr. Yingst indicated this overage was primarily due to the development of the MS4 user fee, which had initially been anticipated to be a 2017 expenditure (and thus was not included in the 2018 budget) but was pushed into 2018 for a variety of reasons, and as such was something of a timing matter. Mr. Perrotto asked why the Vehicle Operating Expense account in the Sewer Fund was already at 59% of its budget. Mr. Yingst indicated this was due to the Sewer Fund's 50% share of the Kubota loader and tractor (an expense of \$7,375.74 to this account) that was included in the 2018 budget.

ACCOUNTS PAYABLE: The Accounts Payable list for June 2018 was reviewed. Mr. Deaven asked about Check No. 11835 to Dourte Electric, Inc. Mr. Powell indicated this pertained to repairs to filter and pump controls and the rewinding of motors. Vice Chairperson Perrotto asked about Check No. 11846 to P & H Sensenac, Inc. Mr. Powell indicated this pertained to the rental of dewatering equipment. With no further discussion noted, **MOTION** by Mr. Rooney, 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.

SUPERINTENDENT'S REPORT: Mr. Powell reported that the WWTP is operating well. He began by reviewing the Monthly Report and Vice Chairperson Perrotto noted the continued increase in revenues from waste haulers in comparison to previous years and expressed his appreciation to Mr. Powell for his efforts in this regard. Mr. Rooney recalled a previous engineer

from Gannett Fleming had assured the Authority there would be an unlimited volume of hauled waste to accept and this income stream would fund the portion of the WWTP improvements project specific to it. He noted his belief that the debt service component of the improvements project pertaining to this was approximately \$242,000 and, as such, the Authority would not “break even” if it were to meet its \$185,000 budgeted revenues from hauled waste in 2018. Vice Chairperson Perrotto noted he was not on the Authority when those decisions were made and WWTP staff had been successful at increasing waste hauler revenues from previous years.

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: 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, the Lebanon Valley (UCC) Home, and Veterans of Foreign Wars (VFW) Post 8023. Mr. Yingst noted 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 July 1, 2018 sewer bills. The Authority also reviewed the initial samplings for Kabob Corner, Rotunda Brewing Company, and Sam’s Diner Family Restaurant, which were also mailed to those entities earlier in the month. Vice Chairperson Perrotto asked if any feedback had been received from the newly-sampled entities. Mr. Powell indicated he had a good conversation with the owner of Kabob Corner and he believed the owner understood the rationale for the surcharge and the housekeeping measures he recommended. Mr. Powell also shared recent conversations he and Mr. Yingst had with someone from Donut Break about a previous sampling period.

Laboratory Training 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 Vice Chairperson Perrotto to authorize Les Powell, Keith Heck, and Christopher Koehler to attend laboratory training school offered by the Pennsylvania Rural Water Association on July 25, 2018 at a cost of \$95 per participant. Motion carried unanimously.

Manhole Risers: Mr. Powell reported that several streets in the Township would be paved in the next few months. While he noted he had several manhole risers on hand for this project, he was not sure he had a sufficient number for all the necessary locations. To that end, Mr. Powell obtained quotes for cast iron risers from two providers and recommended 15 risers be purchased from Chemung, who provided the lower estimated cost of \$1,700. Noting this was not specifically budgeted for, Vice Chairperson Perrotto inquired if this should be accounted for in future budgets. Mr. Powell replied he did not think so, due to the infrequency of making such replacements. Mr. Lamoureux asked if this could be included in the bid package for future paving projects. Mr. Powell shared that he believed it could be, but indicated he expected doing so would involve a price markup by the bidder and buying directly from the manufacturer was less expensive. **MOTION** by Mr. Ludwig, second by Mr. Rooney to recommend to the Board of Commissioners it authorize the purchase of 15 manhole risers at an estimated cost of \$1,700. Motion carried unanimously.

Muffle Furnace: Mr. Powell reported that the muffle furnace, which is used to burn off volatile solids for testing associated with the WWTP’s National Pollutant Discharge Elimination System

(NPDES) permit, has ceased working after nearly 30 years. He also noted a working muffle furnace is necessary to maintain the plant's laboratory accreditation. **MOTION** by Vice Chairperson Perrotto, second by Mr. Ludwig to recommend to the Board of Commissioners it authorize the purchase of a muffle furnace at an estimated cost of \$2,400. Motion carried unanimously.

SOLICITOR'S REPORT: The Authority was informed of the status of several properties pertaining to unpaid sewer and trash fees:

144 Water Street: 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 which was comprised of legal and filing fees.

36 East Main Street: Mr. Lamoureux reported the Township Office was paid in full for the outstanding balance at 36 East Main Street due to the sale of the Allen Theatre and related properties.

MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4) REPORT: Mr. Yingst reported the ordinance establishing an MS4 fee was adopted by the Board of Commissioners at its June 5, 2018 Regular Meeting and the Township Office was on schedule for charging this fee as part of the sewer and trash bills beginning with the July 1, 2018 billing cycle.

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 22, 2018 Authority meeting 25 accounts were posted for shutoff; this was comprised of five customers who were under a payment contract but had not paid, 13 customers not under a payment contract with the Township, and seven landlord/tenant customers. Mr. Yingst concluded by reporting that over the past five weeks more than \$10,900 had been received from significantly past-due customers, including \$4,105.55 from the Allen Theatre and related properties.

Location of Cellular Tower on Municipal Property: Mr. Yingst reported that Kevin Strunk of P3 Towers was scheduled to make a presentation to the Board of Commissioners at its July 3, 2018 Regular Meeting at 7:00 PM proposing the location of a cellular tower on WWTP property. He encouraged the members of the Authority to attend that meeting if they were interested or had any questions for P3 Towers. Vice Chairperson Perrotto asked if the Authority would be involved in the decision-making process and Mr. Yingst indicated he anticipated it would be, noting the meeting on July 3 simply provided a good opportunity to raise any questions the members might have at this stage of the proposal.

Proposal for Utility Billing System Programming Services: Mr. Yingst reported that, as part of the process of updating the utility billing system to include an MS4 fee, it was realized the generated bills only show service units rounded to the nearest integer. Some examples were noted of how this could be confusing with the MS4 fee, which is to be rounded to the nearest hundredth. **MOTION** by Mr. Ludwig, second by Mr. Deaven to recommend to the Board of Commissioners

it authorize programming services to the utility billing system by Harris Local Government at a cost to not exceed \$1,000 to be paid from the MS4 Fund. Motion carried unanimously.

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

Dewatering Equipment and Building: Mr. Mehaffey provided an update on the status of the proposed dewatering equipment and building project. He reported the equipment pilots had been completed and the Alfa Laval centrifuge and the Schwing Bioset screw press were determined to be the preferred solutions due to high performance and cost effectiveness. He also reported a meeting was held the prior week in which he, Nicholas Sahd of Gannett Fleming, Mr. Powell, and Mr. Yingst participated to discuss the scope of the project and to clarify some initial questions and concerns. Noting the project could be broken up into two separate, but related, phases—the first pertaining to building construction and the second pertaining to equipment—an initial matter that was discussed was ensuring the building construction phase could begin without running the risk of something that could negate the successful completion of the equipment phase. To that end, Mr. Mehaffey reported his office conducted a Pennsylvania Natural Diversity Inventory (PNDI) review to determine if there were any environmental or cultural impacts that might affect the project. He noted the PNDI review located an eagle nest about 2,000 feet south of the site, but due to the distance this would not prevent construction and paperwork would simply need to be submitted to the Pennsylvania Department of Conservation and Natural Resources. He also noted that per review of the North Annville Township zoning ordinance no variance requests would be needed, although he was still waiting on a response as to whether a land development plan was necessary. From a stormwater standpoint, he noted that an NPDES permit would not be needed and the Lebanon County Conservation District would not need to review the work, and post-construction stormwater controls would not be necessary since less than one acre of land would be disturbed.

Mr. Mehaffey then discussed some aspects of the proposed project's building phase and reviewed a proposal from BlueScope Construction (BSC) for the construction and installation of a pre-engineered building in an amount of \$397,979, the quote for which was valid for sixty days. He noted the building did not need to be put out for bid as it was part of the National Joint Powers Alliance (NJPA) and this also meant that prevailing wage would not be necessary for the building construction. Mr. Mehaffey did expect the costs of setting the equipment would be high enough that bidding and prevailing wage would be necessary for that part of this phase. He also noted a Water Quality Management (WQM) Part II permit application submission would be necessary pertaining to the changes to the WWTP's processes that would be brought about by the new equipment, and the turnaround from the Pennsylvania Department of Environmental Protection (DEP) for such a permit was currently around 120 days on average. Mr. Mehaffey stated that a benefit of the two-phase approach was it allowed the work on the building phase to run concurrently with preliminary work on the equipment phase, the latter of which could only be installed at a point following the completion of the former. Because of the concerns regarding rising steel prices, this meant the materials for the building could be secured at the current rates while decisions on the equipment were still being evaluated. It also meant that once the type of dewatering equipment was selected, putting out the specifications for pre-purchase in COSTARS could be done as the building construction was wrapping up, if so desired. Mr. Mehaffey concluded by noting a full year was currently anticipated for project completion and shared an estimate of the

overall project cost, exclusive of consulting engineering services. He noted this estimate of \$1,350,000 (which included the cost of the building) was still evolving, and by way of example shared that Mr. Powell informed him that existing transfer pumps at the WWTP could possibly be used instead of pre-purchasing sludge feed pumps, which would lower the project estimate by \$50,000. Mr. Ludwig asked if it would be risky to start the building phase before the WQM Part II permit was secured or if DEP should be consulted first. Mr. Mehaffey indicated he did not think that was a concern due to the scope of the project, but he did agree it would probably be wise to schedule a pre-submittal meeting with DEP to present what was being proposed.

Mr. Rooney left the meeting at 6:10 PM.

Mr. Yingst suggested that separating the project into phases could potentially mean one phase could be paid from funds on hand while the other phase could be financed, and briefly discussed the amount of available funds in the Sewer Capital Fund. He asked when payments would be required to fund the building itself. Mr. Mehaffey reviewed the proposal from BSC and noted it referenced progress payment invoicing, with no more than one invoice submitted per month. Mr. Yingst asked how much the building phase would cost in total and Mr. Mehaffey estimated this to be \$500,000, all of which would likely be incurred in 2018. Mr. Mehaffey also shared a proposal for consulting engineering services in an estimated amount of \$119,500, noting this proposal assumed Mr. Powell's handling significant aspects of project management and inspections which would save the Township around \$100,000. Mr. Deaven asked if it made sense to finance only a portion of the project or its total cost, citing a concern that adequate reserve funds be maintained. Mr. Yingst admitted that was a matter of judgment the Authority and Board of Commissioners would need to evaluate. There was then discussion reflecting on high price emergency purchases at the WWTP over the past decade and it was noted that most of these expenses were for several thousand dollars at most, with most catastrophic emergencies typically covered by insurance. Mr. Ludwig asked if flooding was a concern at the intended location for the building and Mr. Powell indicated it was not. Mr. Perrotto asked Mr. Moore if the Commissioners were supportive of this project and he indicated he believed they were. Vice Chairperson Perrotto and Mr. Deaven reflected that the project was unavoidable due to the need to dispose of the WWTP's byproducts. Mr. Powell shared that dewatering equipment would allow for the generation of more revenue by providing the opportunity to accept more septage, but Mr. Mehaffey noted this project is being driven by process needs rather than due to financial payback strategy as the increased revenues would be minor.

MOTION by Mr. Deaven, second by Mr. Ludwig to recommend to the Board of Commissioners it authorize (1) approval of the dewatering building proposal by BlueScope Construction as presented, including related costs and (2) the Township Administrator to evaluate financing options with a financial consultant that provide for an adequate reserve in the Sewer Capital Fund. Motion carried unanimously. Mr. Mehaffey then suggested that a meeting be held with BlueScope Construction prior to signing its proposal for the building to ensure its representatives fully understand the purpose of the building and the equipment it is to house. The members of the Authority agreed with this suggestion. The members also reviewed the engineering services proposal for the project as submitted by Gannett Fleming and indicated their comfort with same. Mr. Yingst asked Mr. Mehaffey if he could be present at the Board of Commissioners meeting on

July 3 to answer any questions the Commissioners might have about the project and Mr. Mehaffey indicated he would be.

MOTION by Mr. Ludwig, second by Vice Chairperson 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 Vice Chairperson Perrotto, second by Mr. Ludwig to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:45 PM.

(Assistant) Secretary