

**DRAFT MINUTES OF THE ANNVILLE  
TOWNSHIP AUTHORITY  
July 24, 2018**

The July Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on July 24, 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; 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); and Corey Lamoureux, Esq., Township Solicitor.

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 from those in attendance.

**MINUTES: MOTION** by Mr. Perrotto, second by Mr. Deaven to approve the minutes of the Regular Meeting held June 26, 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 June 30, 2018. Mr. Yingst noted the Plant Repair and Maintenance account in the Sewer Fund appeared to be significantly overbudget, but these costs represented the unbudgeted but recently approved rental of dewatering equipment. He also noted it was confirmed that the costs charged for this equipment matched the authorized amount.

**ACCOUNTS PAYABLE:** The Accounts Payable list for July 2018 was reviewed. Mr. Perrotto asked about Check No. 11864 in the amount of \$2,500.00 to Les Industries Fournier Inc. Mr. Yingst noted this was for the approved pilot of the Fournier rotary press and Mr. Powell noted this was the only equipment piloted for which the Township has been charged. **MOTION** by Mr. Deaven, second by Mr. 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.

**SUPERINTENDENT'S REPORT:** Mr. Powell reported that the WWTP is operating very well. He began by reviewing the Monthly Report, noting the current levels of Total Nitrogen (TN) and Total Phosphorus (TP) in relation to the plant's nutrient loading permit. Noting the TN level was at 82% through nine months of the permit cycle, a question was raised as to what would be required if the permit level was exceeded. Mr. Powell stated that credits could be purchased from another WWTP—which last occurred several years prior—but that he believed he would be able to end the permit cycle below the maximum level allowed and thus avoid such a purchase. It was also noted the prior permit cycle the plant was well below its permit levels and the higher levels in the current permit cycle were the result of trying to find a middle ground of staying below the permit levels without expending more product to treat the water than was necessary.

Hugh Rooney, Authority Secretary, arrived at the meeting at 5:35 PM.

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 Donut Break, Hoss's Steak and Sea House, Lebanon Valley College, and the Union Hose Social Club. 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 August 1, 2018 sewer bills.

**Dewatering Equipment and Building:** Mr. Powell shared that he was leaning toward a centrifuge rather than a press for the dewatering equipment, based upon its lower price and smaller footprint. He reported that after Gannett Fleming evaluated the design of the building that would house the equipment the engineers recommended raising the height of the proposed building by five feet to provide the necessary space for a monorail for removing portions of a centrifuge for periodic maintenance. The engineers also suggested additional ventilation be added to the building due to trucks accessing it. It was noted Mr. Lamoureux reviewed the building construction agreement with BlueScope Construction (BSC) and he thought it was unclear whether the Township would be a named insured by BSC for the project and whether the costs for the additional building height would be assessed a 15% markup for any change orders as per the agreement language. Mr. Powell reported that BSC responded in the affirmative for both questions, further noting the \$14,000 estimate provided by BSC for raising the building height included the 15% markup. He also reported that BSC will be submitting a new agreement for the building which would include the increased height, the monorail, and additional ventilation. Mr. Powell estimated the additional cost for the ventilation to be \$5,000, but an estimate was not yet available for the monorail. Mr. Perrotto noted this building was necessary and the engineer's recommendations needed to be heeded, but indicated his unwillingness to pay the 15% markup before the contract had yet been signed and stressed that, since the previously approved proposal was good for 60 days, the steel prices quoted in that proposal should still be valid since the 60 day window had not yet passed. The other members of the Authority agreed and discussed what they considered to be a reasonable not-to-exceed amount for the new agreement. **MOTION** by Mr. Perrotto second by Mr. Deaven to recommend the Board of Commissioners approve the revised dewatering building proposal by BlueScope Construction at a cost not to exceed \$450,000 contingent upon (1) BSC honoring the price for steel as quoted in the earlier proposal and (2) BSC not charging a 15% markup for the increased building height, additional ventilation, and monorail. Motion carried unanimously.

Rex Moore, Township Commissioner, arrived at the meeting at 6:00 PM.

**Financing Consulting Services Proposal for Dewatering Project:** Mr. Yingst provided a proposal received from Daryl S. Peck of Concord Public Finance. Under this proposal Concord would take the lead role in the financing activities for the dewatering project and would provide advisory services related to the project's financing at a cost of \$12,500. Mr. Yingst discussed Mr. Peck's work with the Authority and the Township in the past; he also noted he had asked Mr. Peck if the proposal price could be reduced and Mr. Peck indicated he did not think so and believed the price to be fair for the proposed services. The Authority then discussed the proposal in detail. Mr. Deaven expressed his concern that the price was high and reflected it might be sensible to seek out other proposals. He also noted the engagement letter stated Concord would be reimbursed for out-of-pocket expenses and suggested that any such expenses should be covered as part of the \$12,500

fee. Mr. Rooney asked if Concord was compensated by the bank. Mr. Yingst indicated he did not believe so, and it was noted the engagement letter stated Concord would only represent the Township's interests per the proposal. Mr. Rooney also expressed his concern with the price and suggested the Authority reach out to banks on its own to see if any such rate Concord could obtain was the best deal for the Township. Mr. Perrotto asked Mr. Rooney if he would be willing to do this over the next month and the latter indicated he would be. **MOTION** by Mr. Rooney, second by Mr. Perrotto to recommend the Board of Commissioners approve the proposal received from Concord Public Finance as presented contingent upon Concord agreeing that if the Authority can secure financing at a lower rate than Concord the latter would not be compensated. Motion carried unanimously.

**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 which was comprised of legal and filing fees.

**Review of BSC Agreement:** Mr. Lamoureux noted he did not have any further concerns per his review of the BSC agreement for the construction of the dewatering building other than those discussed and answered earlier in the meeting.

**Proposed Draft Addendum to Intermunicipal Agreement with North Annville Township:** Mr. Lamoureux reported a proposed draft addendum to the intermunicipal agreement with North Annville Township for sewer service was received from North Annville's Solicitor several weeks prior. The draft addendum proposed increasing the capacity in the WWTP for properties in North Annville Township by seven North Annville Equivalent Dwelling Units (EDUs), or 1,750 gallons per day. Mr. Yingst informed North Annville's Solicitor that a Professional Services Agreement for this project must be executed before the Authority's Solicitor or Engineer could begin to evaluate the proposed addendum, as the existing Professional Services Agreement for a previously drafted but not fully executed addendum was for five North Annville EDUs.

**ENGINEER'S REPORT:** Nothing to report this month.

**MUNICIPAL SEPARATE STORM SEWER SYSTEM (MS4) REPORT:** Mr. Yingst reported the first quarter of billings for the MS4 fee was issued on July 1, 2018 and the second quarter of billings was also on schedule to be issued on August 1, 2018. He noted several good conversations with individuals questioning the new fee and several compliments from customers regarding the efforts to keep the fee low.

**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 June 26, 2018 Authority meeting 22 accounts were posted for shutoff; this was comprised of eight customers who were under a payment contract but had not paid, 13 customers not under a payment contract with the Township, and one landlord/tenant customer. Mr. Yingst concluded by reporting

that over the past four weeks more than \$4,400 had been received from significantly past-due customers.

**Location of Cellular Tower on Municipal Property:** Mr. Yingst reported that Kevin Strunk of P3 Towers made a presentation to the Board of Commissioners at its July 3, 2018 Regular Meeting proposing the location of a cellular tower on WWTP property. He noted that information on this proposal had been provided to the members of the Authority and asked if they had any questions or thoughts regarding it. Mr. Yingst shared that the proposed location would not impact plant operations and the terms of the proposed agreement were then briefly discussed. **MOTION** by Mr. Deaven, second by Chairperson Myers to note the Authority's support for locating a cellular tower on WWTP property at the proposed location, to encourage the Board of Commissioners to negotiate with and enter into an agreement with P3 Towers if reasonable terms can be agreed upon, and to recommend to the Board of Commissioners it share any revenues from such an agreement with the Authority on a 50%/50% basis. Motion carried unanimously.

**Annual or Semi-Annual Meeting at WWTP:** Mr. Yingst noted that Mr. Deaven had suggested to him that one or two meetings be held each year onsite at the WWTP, which was a practice adopted by some other Authorities. It was noted a tour of the plant could also be made a part of the meeting, which would then be held onsite in the Township garage. **MOTION** by Mr. Rooney, second by Mr. Perrotto to hold one Regular Meeting of the Authority at the WWTP in 2019. Motion carried unanimously.

**MOTION** by Mr. Perrotto, second by Mr. Rooney 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. Deaven, second by Mr. Rooney to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:24 PM.

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(Assistant) Secretary