

**DRAFT MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
October 26, 2021**

The October Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on October 26, 2021 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: Anthony Deaven, Vice Chairperson; Dustin Sider, Secretary (via telephone); Karen Mailen, 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., Township Solicitor; Shawn Curtin, Lebanon Valley College (LVC) Vice President of Finance and Administration; and Erica Wible, McNees Wallace & Nurick LLC.

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

APPROVAL OF AGENDA: **MOTION** by Ms. Mailen, second by Mr. Rooney to approve the agenda as presented. Motion carried unanimously.

TEFRA HEARING FOR THE ANNVILLE TOWNSHIP AUTHORITY ACTING AS A CONDUIT FOR TAX-EXEMPT FINANCING: Ms. Wible addressed the Authority and reported that, in accordance with the law, a TEFRA Hearing had been scheduled and properly advertised for 5:30 PM regarding the Authority acting as a conduit for tax-exempt financing for borrowing being done by LVC and said hearing was now underway. She noted her firm was serving as bond counsel for financing in the amount of \$16,500,000 that was being sought by the college for construction of the LVC School of Nursing Building. Ms. Wible then presented and explained a proposed resolution for the Authority's consideration if it should wish to act as a tax-exempt conduit for LVC's financing, noting that in addition to the Authority's approval the approval of the Annville Township Board of Commissioners would be needed. She provided an opportunity for comments or questions and Mr. Lamoureux asked for confirmation that, should the Authority choose to act in this manner on behalf of LVC, there would be no liability incurred by the Authority or the Township. Ms. Wible confirmed this and explained the conduit financing mechanism, pointing to Section 5 of the proposed resolution which specifically addresses this. With no further comments or questions noted, **MOTION** by Ms. Mailen, second by Mr. Rooney to close the TEFRA Hearing. Motion carried unanimously and the TEFRA Hearing was closed and the Regular Meeting was resumed at 5:33 PM.

RECOGNITION OF VISITORS AND OPPORTUNITY FOR PUBLIC COMMENT: Vice Chairperson Deaven provided an opportunity for public comment and no comments were noted.

RESOLUTION NO. 20211026-1 – ACTING AS A CONDUIT FOR TAX-EXEMPT FINANCING FOR LVC: Proposed Resolution No. 20211026-1, approving the Authority acting as a conduit for tax-exempt financing for LVC, was presented to the Authority for its consideration. **MOTION** by Ms. Mailen, second by Mr. Sider to adopt Resolution 20211026-1 as presented and to authorize the Authority, through the execution of necessary documents by its officers, to act as a conduit for tax-exempt financing for LVC in accordance with the adopted resolution and subject to the approval of the Board of Commissioners. Motion carried unanimously and a copy of this resolution is attached hereto and made a part of these minutes.

Mr. Curtin and Ms. Wible left the Regular Meeting at 5:34 PM.

APPROVAL OF MINUTES: **MOTION** by Mr. Rooney, second by Ms. Mailen to approve the minutes of the Regular Meeting held September 28, 2021 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 September 30, 2021.

ACCOUNTS PAYABLE AND APPROVAL OF BILLS: The Accounts Payable list for October 2021 was reviewed. **MOTION** by Mr. Rooney, second by Ms. Mailen 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 before continuing to 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:

Sampling and Surcharges: The Authority reviewed the results of the latest samplings for Hoss's Steak & Sea House, LVC, 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 November 1, 2021 sewer bills, with the exception of the Union Hose Social Club, which did not exceed any of the Township limitations. Vice Chairperson Deaven noted the Social Club had not been assessed a surcharge in some time.

Sale of Nutrient Credits: Mr. Powell reported that 5,419 nitrogen nutrient credits were calculated for the plant at the end of the Department of Environmental Protection's (DEP) water year and were in the process of being sold to the Lancaster Area Sewer Authority per the previously approved agreement with same. Mr. Yingst also reported he was contacted by a DEP representative who informed him that Pennvest will no longer require that 50% of the proceeds from the sale of nutrient credits be turned over to it.

Biosolids Permit: Mr. Rooney noted that, per the Monthly Report, more than \$350,000 had been billed for septage and sludge processed at the WWTP during the year. Mr. Powell confirmed this was accurate. Mr. Rooney indicated this was why certain improvements had been recommended for the WWTP during its upgrade project a decade earlier and noted his appreciation for this revenue stream for the Authority. Mr. Yingst indicated these revenues made it possible to hold the line on the current sewer rate for 2022. Ms. Mailen suggested this might be something to include in the 2022 newsletter. Mr. Powell noted that the changes DEP was considering to the biosolids permit requirements could potentially affect this revenue stream, and he provided a brief update on what those potential changes might concern.

Fats, Oils, and Grease Regulations: Nothing to report this month.

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

Tax-Exempt Conduit Financing Costs: Mr. Lamoureux reported he was tracking the costs for his time pertaining to the tax-exempt conduit financing for LVC and that these costs would be billed to the college.

Municipal Claim for Property at 30 South White Oak Street: Mr. Lamoureux reported that the prior month a municipal claim was filed against the property at 30 South White Oak Street for unpaid fees in the amount of \$1,822.32 plus reasonable attorneys' fees. He also reported that a letter pertaining to these claims was sent to the owners informing them that attorneys' fees would be assessed if the claims were not fully paid by October 28, 2021.

Municipal Claim for Property at 18/18A East Main Street: Mr. Lamoureux reported that the prior week the owner of the property at 18/18A East Main Street paid off the outstanding balance of sewer, trash, and MS4 fees for the property, which meant the principal portion of the municipal claim has been paid off. He further noted he sent a letter to the property owner informing him of the amount of interest and attorneys' fees that needed to be paid for the claim to be satisfied.

ENGINEER'S REPORT: The Authority reviewed an update provided by Nicholaus Sahd of Gannett Fleming of his firm's engineering activities over the past month, a copy of which is attached hereto and made a part of these minutes.

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 nine accounts were posted for water shut-off and that over the past four weeks more than \$11,500 had been received from significantly past-due customers.

2022 Tentative Budgets - Sewer Fund, Sewer Capital Fund, and MS4 Fund: Mr. Yingst provided an update on the 2022 Sewer Fund, Sewer Capital Fund, and MS4 Fund budgets. He noted these budgets were reviewed by the Board of Commissioners on October 13, 2021, and he shared the changes made to these budgets since they were first presented to the Township Authority at its September meeting due to information received after that meeting and changes made to the budgets by the Board of Commissioners. Mr. Yingst further noted the Sewer Fund budget remains balanced with a budgeted transfer of \$29,116 to the Sewer Capital Fund in 2022 and an unbudgeted 2021 year-end transfer from the Sewer Fund to the Sewer Capital Fund projected in the amount of \$200,000 is still proposed. He concluded by reporting the Board tentatively adopted the 2022 budgets and would be holding a Public Hearing to discuss all 2022 budgets at 6:30 PM on November 3, 2021, and he anticipated official adoption of the 2022 budgets on December 7, 2021. Per question from Mr. Rooney, Mr. Yingst explained how he determined the 2022 budget figure for the Sewer Rentals revenue account on the Sewer Fund. With no further comments or questions noted, **MOTION** by Mr. Rooney, second by Mr. Sider to recommend to the Board of Commissioners that the 2022 tentative budgets for the Sewer Fund, Sewer Capital Fund, and MS4 Fund be officially adopted as presented. Motion carried unanimously.

Online Payments: Per a question from Mr. Sider, Mr. Yingst reported a handful of ratepayers had paid their sewer/trash/MS4 fees online over the past month and he was planning to include information on this in the 2022 newsletter to help get the word out.

MOTION by Mr. Rooney, second by Mr. Sider 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 Ms. Mailen to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 5:53 PM.

(Assistant) Secretary