

Minutes
North Lebanon Township Municipal Authority
August 9, 2018

The meeting of the North Lebanon Township Municipal Authority was held on Thursday, August 9, 2018 at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following Board members present:

Gary Heisey	Chair
Dawn Hawkins	Vice Chair
Tod Dissinger	Treasurer
Brian Hartman	Secretary
Rodney Lilley	Assistant Secretary/Assistant Treasurer
Fred Wolf	Henry and Beaver, LLP
Scott Rights	Engineer-Steckbeck Engineering
Lori Books	Administrative Assistant
Ed Brensinger	Roadmaster/Supervisor
Amy Leonard, Esq.	Henry and Beaver, LLP

The meeting was called to order by Chair Heisey and the pledge to the flag was recited.

COMMENTS FROM THE PUBLIC:

Jim Koontz & Brian Marchuck (BSSF) –

Jim and Brian attended the meeting to review the NLTMA Financial Report for 2017. Brian started the presentation by diving into the report. Pages 1-2 provided the auditors opinion which is based on the conclusion that the financial statements line up with the US General Accounting Principles. Pages 3-8 is a summary and collaboration of the financial statements created by Lori and the auditors. Pages 9-10 contain the Net Position or Balance Sheet. This presents all the assets and liabilities for its activities. The equity of the Authority is also found on page 10. Pages 11-12 hold the Statement of Revenues, Expenses, and Changes in Net Position. Pages 13-14 are where the Cash Flows are found which represent the "health" of the Authority. Pages 15-35 contain the notes to the financial statements. Brian started with his personal notes on page 19 which reflect the PennVest loan and that the Authority can expect a payment of about \$31,161 per year. All of this will be paid by Swatara Township because the Authority has paid their portion off. Notes on page 21 include the schedule of the upcoming principle and interest rates on the Guaranteed Sewer Revenue Note of 2015A. Page 22 shows the same information for the Guaranteed Water Revenue Note 2015B. Brian reviewed a few other notes he had on future payments and how the Authority has the funds divided up. The rest of the report, as a whole, reflects the Sewer Operating account. Tod had a few questions about how they made a bit more money this year, but paid extra on the loan account, and how that balances out in theory. Brian was able to clarify the layout of the numbers to answer his questions. Gary questioned how we earned more in interest but lost about \$15,000 for administrative services. There was discussion between the auditors, Lori, and the Board to clear that up. The Board discussed other questions with the auditors regarding the

numbers recorded for 2017.

Chair Heisey asked for a motion to approve the July minutes.

Dawn had a question about the minutes from last month. The section under the Engineers' Report where there was an update about the Musser Tract stated that the property was on Mount Zion Road when it is actually on Maple Street. The correction was made.

MOTION: Motion was made and seconded to approve the July minutes with the revision as noted. Motion approved.

Chair Heisey asked for a motion to approve the invoices and requisitions for payment all subject to audit.

MOTION: Motion was made and seconded to approve invoices and requisitions for payment all subject to audit. Motion approved.

SOLICITOR'S REPORT – Fred Wolf

Godshall's – Godshall's has requested additional EDU's and a payment plan once again. Scott confirmed we do have the capacity available that they are requesting. Lori will go into more detail with her report.

Moravian Manor – Just a reminder that the Authority will be looking at Moravian Manor conduit financing between now and the end of the year.

Joint Meeting – The Joint Meeting with the Board of Supervisors will be held in November.

Lawsuit – In the office, another class action lawsuit derivative action was received. Amy is going to look into it to see if we have any claims.

ENGINEERS' REPORT – Scott Rights

Updated Replacement Schedule Spreadsheet – In years past a schedule was made to show the potential projects that would come out of the Capital Reserve and what year we might want to complete them. The schedule would also project different finances for years to come. Scott would like the input of the Board to see if they want him to update this spreadsheet. Some potential projects could include replacing different vehicles, installing back-up generators at those pump stations that currently do not have them, etc. The Board have their opinions and had an ongoing discussion about the pros and cons of this chart. One question that was raised was if we really need to continue to have 2 administrative vehicles. Lori explained to them that sometimes Cheri has off site meetings, the girls use for bank runs and training seminars, and meetings at PSATS, having 2 vehicles has been very beneficial.

MOTION: Motion was made and seconded for Scott to revise the schedule for

the Capital Improvements budget for a 10-year period. Motion approved.

Pertinent Issues – There is a chance that we could abandon the Orange Lane pump station. Scott showed an aerial photo to the Board which reflects an existing swale on the Bare property and the existing manhole in Elias Avenue at the corner of the Santana property. Scott reviewed the possibilities to eliminate the pump station and make it gravity fed. To accomplish this, they would need to obtain two easements. One through the Bare tract and one through the Santana property. The distance between the pump station and the manhole in Elias Avenue is about 2,600 feet and would currently be estimated around \$235,000 to complete. If the Authority would purchase the materials and do the work in house they would be looking at a cost of around \$65,000, however this does not include the Authority’s labor. The Board likes the idea of eliminating this pump station. Further discussion about several options and outcomes continued between the board members. The Bare tract is zoned industrial due to the railroad being there prior. James Santana is a resident on Elias Avenue who endures a lot of stormwater issues on his property. The Township has not been able to intervene because it is private property. The natural flow of the water runs over a portion of Mr. Santana’s property and sometimes washes out Elias Avenue. A pipe that used to be there had failed and deteriorated. This area does incur a lot of storm damage. Since both property owners are agreeable to working with the Township and the Authority, the Board agreed to look into the possibility of obtaining the rights-of-ways now.

ADMINISTRATIVE REPORT – Lori Books

Approve Sewer Truck Municibid Sale Conditionally – The old sewer truck listed on Municibid is set to end next week. Lori is asking the Board to conditionally approve the sale, so the Supervisors can award the bid at their meeting on August 20th. The Authority will then take action to finalize the sale at their meeting in September. There have been 83 bids so far.

MOTION: Motion was made and seconded to accept the bid on Municibid. Motion approved.

Sewer Billing and Payment Policy Resolution – Fred and Lori have been reviewing the sewer payment policy and want to make it similar to the stormwater policy in regard to the wording. Lori added language reflecting that the \$20.00 Admin Fee will only be applied to accounts with a balance of \$50.00 or more which was approved at last month’s meeting. Fred also suggested increasing the posting fee charge from \$10.00 to \$25.00 and the termination fee from \$100.00 to \$150.00. The City of Lebanon Authority had increased their charge for terminations from \$35.00 to \$75.00 several years ago and we had never adjusted our fee. Lori is asking for approval of Resolution 2-2018 for the new Sewer Billing and Payment Policy. Rodney commented on one of the sentences in the policy, “These dates have not changed for years”, and thought it was unnecessary due to it being more editorial and not adding anything to the policy. Lori will remove the sentence. Rodney stated he believes the policy should reference that all payments need to be paid in full at several locations. Lori will add this language to the policy.

MOTION: Motion was made and seconded to approve Resolution 2-2018, revision of the Sewer Billing and Payment Policy, with the grammatical changes as noted. Motion approved.

Additional Amount on Sewer Loan – The next principle payment on the loan is due in September. Lori would like to get approval from the Board to put additional money on the loan. The Board has already committed to putting an extra \$100,000.00 on the loan and after receiving multiple tapping and capacity fees this year, Lori would like to tack on an additional \$100,000.00. Gary took a moment to state that 3 years ago the Board had put 1.2 million on the loan and have already replenished that amount in Capital Reserve without raising any rates. He wants to know how aggressive the Board would like to be. The Board discussed the need to keep a certain amount in reserve for future repairs and projects.

MOTION: Motion was made and seconded to add an extra \$100,000.00 on top of the original \$100,000.00 for a total of an additional \$200,000.00 to be put on the principal of the sewer loan. Motion approved.

Additional Amount on Water Loan – We are in a similar situation for the water loan. Lori would like to put an additional \$30,000.00 on the loan based on the tapping fees that came in this year.

MOTION: Motion was made and seconded to put an additional \$30,000.00 on the principal of the water loan. Motion approved.

Godshall's – Godshall's called Lori last week wanting to increase their original request of purchasing an additional 15 EDU's to 20 EDU's. Lori is seeking the Boards approval for the extra 5 EDU's. A new agreement will be prepared for approval at next month's meeting. Their current agreement is to purchase 3 EDU's a quarter at \$1,500.00 each until they reach the number of EDU's in that agreement which was for 36 EDU's. The current agreement will be paid in full in December of this year (2018). Godshall's is requesting to continue this payment plan with the new agreement for 20 EDU's. That would take them to September of 2020 and they would end up with a total of 167 EDU's. Lori already checked with Scott and we do have the capacity available for this request. The Board is curious as to how many EDU's an 8-inch pipe could support. Scott had emailed Lori in 2016 after the last agreement and informed her that the line would still have room for 127 EDU's for future growth.

MOTION: Motion was made and seconded to allow Godshall's to purchase a total of 20 additional EDU's. Motion approved.

Rockwood – After all the rain these past few weeks the water flow numbers have doubled and tripled at some of our pump stations. Ed sent the wastewater crew to use the new video camera equipment to video the lines. They found 4 different properties that appear to be discharging stormwater into the sanitary sewer system. Lori sent these residents a letter and asked them to call the Township, so we can come out and help them determine

the cause of the discharge. Several sources of the stormwater infiltration could be a sump pump which drains into their sewer lateral, downspouts could be connected to the sewer lateral, or they could have a broken sewer lateral. One person has called so far.

Lebanon Valley Cold Storage – Tony and Lori had a meeting with a representative from Lebanon Valley Cold Storage (Will Llewellyn, Maintenance Manager) on August 1st to update him on several requirements they have not been doing. We have not received any monthly or quarterly reports for their Strong Waste Permit since they have been open. Lori reviewed with him the monthly reports which include taking daily water meter readings and a pH sample one time each month. She also went over the quarterly testing requirements which include testing for TSS, Oil and Grease, and Sulfide. Tony went over the grease trap pumping and inspection process. Lori also requested a copy of the floors plans, which we had asked for during the strong waste permit process. Lori asked about setting up a tour of the facility. They went outside so Tony could show him where the grease trap tank is located and what the alarm and light on the top of the tank indicate. Lori showed him where the sampling manhole is for the testing requirements. They also went into the maintenance room to locate where Will would be taking the water meter readings from.

Lori reviewed the August sewer bills and noted their water usage for the past quarter is over their allotted usage. They currently have 11 EDUs which equals 217,800 gallons per quarter. This past quarter (August) they used 370,000 gallons which equals about 18.68 EDUs. In May they were under at 166,000 gallons or 8.38 EDUs. She will continue to monitor them and contact them if necessary to purchase additional EDU's.

WASTEWATER DEPARTMENT REPORT – Ed Brensinger

July Activity Report – Each member has a copy of Tommy's report. He had been off for a couple of weeks due to knee surgery. Ed took advantage of all the recent rain to do some videoing of the sewer lines. Every time it rains we receive an increase of flows at some of our pump stations. As Lori stated, we found 4 properties which have extremely high flows coming out of their sewer laterals and we have sent letters to those residents.

ATTORNEY REPORT- Amy Leonard

Delinquent Sewer Updates – Amy doesn't have any new information. The delinquent accounts have been looking good. #11 was on the Sheriff's Sale list but will be coming off because they are current. #18 just received a payoff. #19, #20, #21, and #22 will most likely all end up foreclosed and sit for a while. Some are vacant, and some owners are deceased with no heirs. Multiple notices have been sent out.

Additional Comments and Questions

Dawn asked for an update on the Sewage Management Pumping program from last year. Lori replied there are only two properties that have not complied. One property owner is being handled by the police due to other code violations and should be completed later this year. The other property owner is deceased, and we were unable to locate any next

of kin, so we are waiting to see what happens with the property. Being it is vacant we may just wait for the next pumping cycle.

With no more business for the good of the Authority, the meeting was adjourned at 8:45 p.m.

Respectfully Submitted,

Molly Finley
Recording Secretary