

**Minutes
North Lebanon Township Municipal Authority
October 13, 2016**

The meeting of the North Lebanon Township Municipal Authority was held on Thursday, October 13, 2016 at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following Board members present:

Gary Heisey	Chairperson
Dawn Hawkins	Vice Chairperson
Brian Hartman	Secretary
Rodney Lilley	Assistant Secretary
Tod Dissinger	Treasurer
Frederick S. Wolf	Henry and Beaver LLP
Scott Rights	Steckbeck Engineering
Cheri Grumbine	Manager
Lori Books	Administrative Assistant

Also in attendance were Tom Kissinger, Wastewater Department; Amy Leonard, Esquire; and two residents.

The meeting was called to order by Chair Heisey.

COMMENTS FROM THE PUBLIC:

There were no comments from the public.

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

MOTION: Motion was made and seconded to approve the September minutes as presented. Motion carried.

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

Rockwood Update

Sol. Wolf updated the Board stating they now have the amended agreement complete. This brings us up to date that the construction is finished, their customers have been turned over to us, and all tapping fees have been paid. He explained on the sewer

billing side, their customers are treated like our customers for those connected to public water. For the customers on wells who have not paid their sewer bills to us, the bills are then paid by Swatara from the escrow we have set up with them. He confirmed the escrow was reduced from \$25,000 to \$15,000.

We have paid our portion of the PENNVEST loan off. The remaining balance of the PENNVEST loan is all Swatara's portion. He said Bonnie is billing them (Swatara) quarterly for their portion and would send them a copy of the statements on a quarterly basis. He stated Swatara would be meeting tonight and they will be signing the original document and giving it to him so we can then sign it. He said we would need to make a motion authorizing the Chairman and Secretary to sign the original agreement when it is turned over by Swatara.

MOTION: Motion was made and seconded for Gary Heisey and Brian Hartman to sign the documents. With no further discussion, motion carried.

EDU additional capacity purchase

Sol. Wolf explained that he, Cheri, and Lori reviewed documents regarding assignment of EDUs. He mentioned how the EDUs were purchased and how it relates to water consumption. He said many of our customers are using less than they purchased. He said we purchase the EDUs and the City is to keep track of the usage. He explained they don't have the same agreement with the customers that we do. He mentioned unless they (the City) ask for more, we will not do anything more. We should be under the capacity that has already been purchased. Scott replied that according to the City we are under their maximum usage. Discussion followed.

Joint Meeting

Sol. Wolf asked who would be attending the joint meeting; two members said they will not be attending. He said they would be working on the agenda. At this time, we don't have the need for any vehicle replacement, therefore the vehicle committee does not need to meet before the joint meeting. He explained Scott had previously prepared a chart which showed the vehicles and equipment and they were spaced out over a seven year period. Since that time is here, it appears it was too short a time period. He asked Scott if he would prepare an updated chart. He remarked the key things for the joint meeting are the various items in the budget. Tod mentioned he was under the impression that vehicle costs would be rising in the near future due to the new emissions regulations.

Sol. Wolf mentioned they want to make sure more revenue is coming in than going out to pay bills. He said the budget will be discussed to see if we need any rate increases. He went over the refinancing and the commitment to use funds from Capital Reserve and if there was excess it could be looked at to pay down the debt. He explained on the water side, the revenue we collect is for debt service as well as the tapping fees we collect. At the end of the year if there is an excess we may want to make a lump sum payment on

the loan as additional principal. Sol. Wolf mentioned that whoever gets re-appointed will receive the new rate for the Board next year.

Gary asked if they were going to discuss the Marks agreement to which Sol. Wolf replied they had agreed it would be satisfied and he (Mr. Marks) will be responsible for paying the costs.

Dawn asked if they were going to discuss the Crossings agreement to which Sol. Wolf replied the agreement is finished. He and Scott have all the legal descriptions which get attached but he would like to review everything one more time.

ENGINEERS' REPORT – Scott Rights

Pump Station Upgrades

Scott reported work continues even though the sheds have not been delivered yet with a delivery date the end of October. They are excavating for the pads with concrete to be poured in the next week and the conduit to be run. They have made a request for a third payment of \$49,994.73 bringing the total to roughly 25% of the contract. Question was asked if they were past the 25% completion of the work to which Scott replied yes they are.

MOTION: Motion was made and seconded to pay B&R \$49,994.73. With no further discussion motion carried.

Scott reported according to the contract all work was to be completed by October 28th. With the delay of the sheds, they are asking for a 60 day extension. He explained the pump stations are staying in service. Question was asked if it would affect any of the work to which Scott replied no that the concrete would be complete.

MOTION: Motion was made and seconded to give B&R an extension of 60 days. With no further discussion the motion carried.

Scott explained he would be sending them a change order to sign and it will need to be signed at the next meeting.

Scott said he and Tommy have been talking once a week regarding the pump stations.

Always Bagels

Scott reported he received an email from them and they are going to rent a meter for two months as directed by the Board.

Lebanon Valley Rails to Trails

He reported he, Lori, Tom, and Ed met with the Rails to Trails people. How it affects us is they are putting a box culvert on Tunnel Hill Road and our sewer lines are underneath where the box culvert will go. They are going to raise the manholes at their expense. Tom will go out and inspect them from time to time to make sure they are at the proper height.

ADMINISTRATIVE ASSISTANT REPORT- Lori Books

Capacity Agreement – North 11th Avenue

Jack Keener came into the office and signed and paid for the capacity for the lots on North 11th Avenue. Lori stated she has the agreement to be signed.

Pertinent Issues

She mentioned Tom has four manholes he would like to have lined. These were in the budget for this year and he would like to get them done this year yet. The locations are: one on Joel Drive, one on Willow Lane, and two on Marcon Drive.

Update on Munibilling, Lori reported we had 144 online payments for a total of \$23,421. She thought this was a good start and it would only increase.

Lori said Fred had asked her for an update on the escrow accounts and the status of each. She said the information is on the spreadsheet with a listing of which accounts were refunded, which ones were completed and the monies were all used, and which ones are still current.

She explained they have been working on the strong waste permits and Scott revised the permit to reflect our needs. Question was asked about the flow in regards to the expansion at Always Bagels. We should know this once they install the meter reader.

WASTEWATER DEPARTMENT REPORT

Tom Kissinger reported they had 53 One Calls, two of which were emergencies during working hours. They had two lateral inspections, four grease trap follow-ups and the inspections fell through. He said they had multiple assists to the road crew and park and rec. He reported that Tony is learning quickly and working out very well. Tom reported the sulfides are still very high at PA Natural Chicks even though they are pumping more often.

Budget

Manager Grumbine said they would start with Sewer Operating. She went over the line items and indicated the escrow accounts should be separated from plan review per our auditor. She explained how the sewer revenue fund will be combined with sewer operating since we don't have the bonds anymore which required them to be separate. Tod questioned the amount budgeted for utilities. It was explained that all utilities were combined into one account. She then went over the expenses line by line. Question was asked if we paid ahead would the end date for the loan be earlier than 2029 to which Mgr. Grumbine replied yes. Discussion followed regarding placing any excess into Capital Reserve, and whether there would be a need for any pump replacement. Sol. Wolf stated at the end of the year they may want to assess what they have left. Tod asked a question in regard to revenue versus expenses. Lori and Cheri stated they would look into the numbers and report back to the Board. Mgr. Grumbine next went over the Capital Reserve fund. She first explained the tapping fees are estimated as well as the capacity, special purpose, and additional tapping fees. She went over the remaining line items in revenue. Mgr. Grumbine then explained the expenses line by line. She explained the Township is looking at televising equipment to be split with the Authority paying two thirds and the Township contributing one third. Discussion followed regarding the benefits of having the ability to do the televising in house. Scott explained the history of the televising contracts which covered from 2007 to 2011. Questions were asked if they thought it would be something where we could recoup some of the costs. Discussion continued on the pros and cons and as to whether it is a worthwhile investment. Question was asked about whether we were looking at sliplining next year to which Tom replied right now they are not planning on doing any next year. It was decided the Board would like to ask the Board of Supervisors about splitting the cost 50/50 for the televising equipment.

Mgr. Grumbine next went over the Water Operating Fund. She asked if the Board would agree to put any excess revenue on the loan as additional principal to help pay down the debt. Discussion followed. We have a \$51,000.00 CD which is maturing this month and we need to decide what to do with the money. Discussion followed.

MOTION: Motion was made and seconded to transfer the \$51,000 CD directly to the principle. With no further discussion, motion carried.

Mgr. Grumbine continued with the Water Operating budget.

Tod mentioned in his opinion we should not do anything more than we discussed. He also mentioned in discussion with Sol. Wolf it would be helpful to know where some of the money for legal fees is coming from. It was explained that some of the legal fees as well as some of the engineering fees are taken from the respective projects escrow accounts. The Authority is not paying for all legal fees and engineering fees entirely on its own.

Attorney Leonard

Attorney Leonard asked if there were any questions regarding her report and if so they would go into executive session. No one had any questions.

With no more business for the good of the Authority the meeting was adjourned at 8:35 p.m.

Respectfully Submitted,

Barbara Bertin
Recording Secretary