

**Minutes**  
**North Lebanon Township Municipal Authority**  
**August 13, 2015**

The meeting of the North Lebanon Township Municipal Authority was held on Thursday, August 13, 2015 at 7:00 at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following Board members present:

Wynanne Demler	Chairperson
Gary Heisey	Vice Chairperson
Brian Hartman	Secretary
Susan Switzer Pierce	Assistant Secretary
Tod Dissinger	Treasurer
Frederick Wolf	Solicitor
Scott Rights	Steckbeck Engineering
Sheila Wartluft	Assistant Manager

Also in attendance were Cheri F. Grumbine, Township Manager; Edward Brensinger, Supervisor; Amy Leonard, Esquire; Mike Kneasel, Wastewater Foreman; Jim Koontz, BSSF; and three guests.

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

**Comments from the Public**

Wynanne introduced Jim Koontz from BSSF who explained the 2014 audited financial reports. He explained that pages 1 and 2 are the highest opinions which are given; and pages 3-8 is a collaboration between the auditors and the staff. It is a quick summary of what happened in the Authority in 2014. There is a section called general trends and significant events which gives you an idea of what is going on with the Authority and looking ahead. Tod asked about deferred outflows of resources and deferred charge on re-financing? Mr. Koontz explained those are costs on prior bond issues and once those debts were refinanced some of those costs now need to be written off. They represent for the most part the two SWAP agreements, and when those bonds were refinanced there were two large SWAP payments that were made and those are costs we are continuing to write off over the period of the new bond. They are refinancing costs we are still recovering. Wynanne asked if any time they would refinance would those costs occur or was this a one-time occurrence? He replied usually that would be a special case and if they refinance with a bank loan these costs would not occur. Tod asked about the section that says due to other fund? Mr. Koontz replied they offset each other between

different funds until they bring the whole picture together. He asked about deferred inflows of resources and revenue, to which Mr. Koontz replied it is revenue which has not been spent.

Tod asked about "ready to serve" to which Mr. Koontz replied it was a tapping fee or connection fee. Page 9 is the balance sheet including water and sewer. Tod asked about the positive income on Page 11 to which Mr. Koontz replied the interest on the debt service is listed. He explained the bottom line for both water and sewer is positive. He showed the Board the cash flow and explained he is interested to see if they are generating enough cash from operation to meet the debt service and to operate and meet payments. He reported that there was an increase in the cash flow.

Mr. Koontz explained the debt service requirements as of the end of 2014. On Page 24 he explained the carryover costs from previous bond issues. On Page 29 he explained Rockwood and what he would need in October. On Page 30 are combined statements for Sewer Operating and Capital Reserve and a breakdown on each of the funds. On Page 31 is the line which is called "net position" which is the amount of spendable funds to go forward in the next year. Tod asked about the \$1,000,000 which is kept in reserve to which Sol. Wolf explained this figure was determined by the Board of Supervisors. Discussion followed regarding the difference in the numbers in Capital Reserve. Gary Heisey asked if there was anything that Mr. Koontz saw in the discussion of the refinancing which in his opinion would not be beneficial to which he replied he had not seen anything thus far.

Sol. Wolf explained the past history of the existing debt that ends in 2035. He introduced Michael Vind and said he had asked him to provide some different charts to look at to reduce the term from 20 years to 15 years. Discussion followed what extra was being collected to pay down the water operating and that the water rates may need to be increased and the sewer rates from \$3 to \$5 per quarter. Sol Wolf mentioned there would be a savings if we can pay the debt off in 15 instead of 20 years. He asked if we paid the water debt off would we turn the system over to the City because they maintain it? On the sewer side he explained we won't know if the reserves are enough to maintain and repair the system. Sol. Wolf explained the charts he had given the Board. He said the last page shows what the residential customers pay in other municipalities. Discussion followed on the chart. Question was asked if there was any way to know how many people were on fixed incomes in our Township to which Manager Grumbine replied the ages would be on the census information. Brian Hartman stated he felt we would need to prepare for the question, "If the debt service timeframe is reduced would their rates be reduced?" Discussion continued on what is considered debt service and maintenance in the fees. Question was asked whether we can make extra payments instead of refinancing? The reply was the interest rate would be going up and would not necessarily make a significant impact. Michael Vind explained that if they refinanced at the current rate they would save a substantial amount. He also explained that bank loans are more flexible than bonds. Discussion continued regarding what we could pay down on the loan. Suggestion was made that we leave the water alone and refinance the

sewer. Brian Hartman suggested we place an article in the newsletter that we are considering refinancing and that the rates may need to be raised. Discussion continued. Sol. Wolf asked if we would like Mr. Vind to proceed with looking at what may be available and report back to the Authority? Mr. Vind replied that he would be able to send out information to various financial institutions and see what is available and have a report at the September meeting. Question was asked what the process would be, to which Mr. Vind replied if they found an acceptable rate they would proceed with a resolution and then forward it to the Board of Supervisors for their guarantee and approval. He explained that the rates would be locked in once a resolution is passed even though we couldn't pay off the bond until September of 2016.

**MOTION: Motion was made and seconded to go ahead and allow them to pursue the option to get funding through a bank to pay off the high sewer and water debt at a lower interest rate. With no further discussion motion carried.**

Chairperson Demler asked if there were any additions or corrections to the July meeting or a motion to approve.

**MOTION: Motion was made and seconded to approve the July minutes. Motion carried.**

Chairperson Demler 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.**

### **SOLICITORS REPORT**

Sol. Wolf explained they were in the process of pursuing closing the PENNVEST loan.

He reported Easy Moves have not picked up their permit yet. Amy will proceed with action on that property. He mentioned that Ream has not made any payments.

Sol. Wolf asked what the status of Envirep is? Mike replied he spoke with Envirep because the check valve malfunctioned the day after they were there, and they would be coming to install O rings. Question was asked when the guarantee would start to which Scott replied after the five year warranty began, and we were a year into the warranty. Discussion followed regarding the issue that Envirep had a design function and they are unwilling to fix it. Scott explained that we have very vigilant operators opposed to other places who do not pay attention to possible problems. Discussion continued.

Supervisor Brensinger stated regarding the hole on Water Street at Martin Drive which has a steel plate which is in the sewer trench, he does not want to proceed with filling it in before discussing it with the Board. He also mentioned that they have been working

on Jay Street with some bad pavement issues and a lot of what they are doing is in the sewer trench in front of the mobile home park. They put black top in the trench, and he is wondering if the Authority is still willing to contribute for the work being done. Tod said he would like to look at the costs when the project is complete. Wynanne asked if the problems are being caused by stormwater to which Suv. Brensinger replied they don't really know what was done in the past when the pipes were originally put in. He said there is also settlement in Homestead Acres mostly on Harvest Drive. Discussion followed that the Authority may be willing to help with material costs if the problems are sewer related. Suv. Brensinger did explain that some of the issues on Jay Street were not the sewer trenches but bad pavement.

### **Leonard Property**

Scott said at the last meeting he showed the Board pictures of the run off. He explained even though the sewer has been there approximately seven years, we are now seeing some settlement over the sewer trenches. He further reported that they believe the run off in the sewer trench is the path of least resistance for the water. It was mentioned that there was no problem until Harry Bowman cleared out the land above and the run off is now occurring. Tod asked why if it is their driveway and not the road and nothing had occurred until the land was changed why are we responsible? Scott reported that Bowman's have discussed the issue with the Leonard's. Question was asked why we are continuing to discuss this to which Sheila replied the Leonard's just contacted them again with another depression. Mike explained that the sewer line is right in front of the driveway. Scott said if they pull the plate they will continue to get calls and the Leonard's won't be able to get in or out of their driveway. Suggestion was made that Fred send them a letter that they will need to address their problem. It should also give them a timeline to fix the problem, and when we will remove the plate. Sheila requested that she and Mike speak with the Leonard's before we proceed with a letter. The Board agreed that Sol. Wolf should contact Harry Bowman first.

### **Engineer's Report**

#### **Hafer Plan**

Sheila stated she had a plan for the Board to look at which is a lot addition on North 8<sup>th</sup> Avenue. Paulette Hafer showed the Board that the properties on either side would like to split the lot between them, and there is no sewer involved. She would like to bring the plan before the Board of Supervisors at their next meeting.

**MOTION: Motion was made and seconded to approve the Hafer Plan. With no further discussion motion was approved.**

### **Kercher Plan**

Scott explained that they are looking at making two tracts out of one tract with no improvements on the land and it could be approved conditional upon no further improvements.

**MOTION: Motion was made and seconded to approve the Kercher plan conditional on the SEO approval. With no further discussion, motion approved.**

### **PENNVEST**

Scott reported he and Sheila signed off on the PENNVEST loan with the last payment for reimbursement of \$263,986.70, according to our records. He explained that regarding the PENNVEST loan we submit everything on line and we keep detailed records and the PENNVEST figures are slightly different from ours and that they are paying us \$11,000 more than we requested. When we knew we were under budget we were looking for reimbursement for things that were originally not approved including time and land costs which were not covered by H<sub>2</sub>O. Excluding Grace Avenue, the Rockwood Project had only approximately \$5,000 which was not covered. He explained once PENNVEST completes their numbers we should know exactly where we stand.

### **PUMP STATIONS**

Scott reported he has a draft to review with Mike and Sheila, and then send it to Fred, and they could be ready to go to bid by next Board meeting. He explained that regarding the Kochenderfer pump station it was slated to be done 2016 and Frances Ann in 2017. He explained the specs will be the same and we could wait and follow the schedule, or do we want bids to go out for Frances Ann now? Question was asked how long each pump station had been in operation to which Scott replied 30 years for both as well as Jay Street. Question was asked what the estimate was to which Scott replied that Kochenderfer was \$90,000 and Frances Ann was \$70,000. Scott explained the capital improvement plan. He further explained that if four pump stations go out for bid there would be some savings on construction costs and bids along with consistency of product. Brian suggested we cut back on sliplining and use that money on the pump stations. Discussion followed on the difference in costs to which Scott replied there are variables involved. Scott explained some of the costs involved include the cost of the structure, and he is working on scaling the numbers back. He explained there are a host of factors and the scope of work for each one is not the same. Question was asked about the types of pumps and if we always go with the same manufacturer? Scott replied no we are looking at different submersible pumps that will work within our specs. Discussion followed regarding how many pumps to replace. Sue Switzer Pierce asked beside Kochenderfer Road do we have any others we are having problems with to which Mike replied Orange Street. Discussion continued. Sue expressed her opinion that she believed they should bid out all four.

**MOTION:** Motion was made and seconded to prepare a proposal to lump together the pump projects for Kochenderfer Road, Frances Ann, Jay Street, and Orange Street and put it out for bid. With no further discussion, motion carried.

**Gas conversion**

Scott reported the gas conversion is done. He explained the UGI and pump part are converted. After that Bowman's will come in and make the conversion on the heater.

**Assistant Manager's report**

Sheila reported she spoke with Jerry from Godshall's. He misunderstood that the agreement was the invoice and he said he would get it to us.

Sheila said she had two more installment agreement completions for the Rockwood Project which were completed and need to be signed. She said there were 23 or 24 which need to be completed.

She also reported she sent a letter regarding wipes and grease with a picture included to the residents on Lake Drive, but she has not heard from any of them.

**Wastewater Foreman Report**

Mike reported they flushed 10,879 feet of line for a total 24,805 feet. He mentioned when they were flushing they picked up some debris. He showed some debris they found at Jay Street and 72. He stated they are having some issues with the flush truck. He explained they are doing some flushing for Abel Recon when they slipline to keep the costs down.

He reported the new pump for Kochenderfer has arrived, and he took it over to Keener to test it before they put it in. He said Frances Ann tripped out three times in the last month. He explained the issue they ran into under the Avon Bridge. On Lehman Street, they were able to line from 11th Avenue going East. Mike stated they are looking at some products they may be able to use for the issues on Sandhill Road.

Mike asked if anyone would like to come out and look at the system he would be happy to explain to them how the system works.

Brian suggested we prioritize where we are doing the sliplining when we have pump stations that are failing and that is his only issue.

The Board adjourned to Executive Session at 9:50.

**MOTION: Motion was made and seconded to waive the late fee to Countryside Mobile Home Park due to extenuating circumstances. With no further discussion, motion carried.**

With no more business for the good of the Authority the meeting was adjourned at 9:54 p.m.

Respectfully Submitted,

Barbara Bertin  
Recording Secretary