

**MINUTES
NORTH LEBANON TOWNSHIP
BOARD OF SUPERVISORS
JUNE 10, 2010**

An advertised special joint meeting of the North Lebanon Township Board of Supervisors and the North Lebanon Township Municipal Authority was held at 7:00 PM at the Municipal Building located at 725 Kimmerlings Road, Lebanon, PA with the following people present:

Board of Supervisors:

Kenneth C. Artz	Chairman
Richard E. Miller	Vice – Chairman
Edward A. Brensinger	Treasurer
Cheri F. Grumbine	Township Manager
Frederick S. Wolf	Henry & Beaver LLP

Municipal Authority:

Wynanne Demler	Chairperson
Rick Miller	Vice-Chairperson
Tod Dissinger	Member
Susan S. Pirece	Member
Brian Hartman	Member
Sheila Wartluft	Twp Ass't Manager
Scott Rights	Authority Engineer
Frederick S. Wolf	Henry & Beaver LLP

Also in attendance were several other individuals. The meeting was called to order and the pledge to the flag was done.

Joint Meeting with Board of Supervisors

Solicitor Wolf stated that this was a regular meeting of the North Lebanon Township Municipal Authority and a special meeting for the Board of Supervisors of North Lebanon Township. Regarding the Supervisors of North Lebanon Township the special meeting as advertised is for two purposes: 1) to participate in the review of all issues relating to the Rockwood sewer project and the application for a grant for the Rockwood sewer project, and 2) taking action upon Resolution No. 14-2010 which deals with the submission to the Department of Environmental Protection of the 537 plan revision which has been made on behalf of the Township concerning this project. This would be the planning module dated May 19, 2010.

Solicitor Wolf stated they would be reviewing some of the background concerning the Rockwood sewer project and then could take a look at the issues facing both the Township and the Authority. He stated for many years residences primarily in Swatara Township and approximately nine located in North Lebanon Township had onlot sewage malfunctions. He explained that Swatara Township has been under the gun from DEP to get this project sewerred with many different attempts being made. He stated back in 2002 it looked like the project would go ahead and North Lebanon Township entered into an Intermunicipal agreement with Swatara Township where the plan was for them to do the construction of the sewer that would service both townships.

There was an agreement with both townships regarding how those customers would be billed and how each municipality would participate in making sure all the connections were made and bills paid.

Solicitor Wolf explained last year the state implemented an H₂O grant project which would provide funding for sewer projects and grants could be received up to two thirds of the costs. Next, North Lebanon Township Municipal Authority was approached by DEP taking the position that we are responsible also and they put the pressure on our Authority that we would proceed with the application for the grant and with the sewer project if the grant was received. He said that a representative from DEP had attended a recent Authority meeting explaining the position of DEP. The Authority authorized the engineer to proceed with the preparation of an application for a grant. The Authority had concerns about entering into an amended agreement with Swatara Township. The concerns are that Swatara residents connect to the sewer system, pay the tapping fee, and pay the user rates which would be necessitated. This is the primary focus of this meeting.

Solicitor Wolf explained we need to look at what the alternatives are if we proceed with the construction of the sewer system, what our concerns are and what would be the best way to address those concerns. He stated it would be absolutely necessary to receive a grant for two thirds of the project. He said our engineer, Scott Rights, did some preliminary cost estimating with the figures being about 3 million dollars with the hope we would receive around 2 million dollars for the H₂O grant. He said the Housing Authority is willing to accept a new application from us and revisit a grant for \$450,000 to \$500,000. Scott stated they have an estimate of project costs of \$2,952,163. Solicitor Wolf stated if we don't get a grant from the Housing and Redevelopment Authority we would need to finance \$1,000,000 and if we did receive it we would need to finance approximately \$500,000 to \$600,000. He explained that not everyone who had received grants last year were for the two thirds amount. Scott explained how the user rates might be structured and how he came about those numbers. Solicitor Wolf explained each customer would need to purchase capacity for sewer treatment from the City of Lebanon Authority, the tapping fee, and also the cost of a plumber to hook up to the sewer lateral for a total expenditure of approximately \$7,000 to \$8,000. He further explained the history of the Rockwood area. Even though they want the sewer, we have to be concerned whether they can afford it. He stated they were looking to see if they could put some of these fees in the cost of the project so that the fees for the residents would be within reason. He stated they could apply to Penn Vest for a loan for the project, apply for a grant with Penn Vest, and USDA loan could be a thirty to forty year loan.

Solicitor Wolf stated DEP is saying we have the ability to do this project. He further explained that DEP is expecting us to be the lead municipality with us constructing the sewer and owning the sewer. He explained we would rather have the option to protect ourselves which would be collecting the tapping fees, making the people connect, and pay the user fees and the debt. The question to DEP is would we only be responsible for our customers not the customers in Swatara Township with us only collecting tapping fees and user fees for our customers. Question was asked regarding the user rate fees. Scott explained the tables he had provided to the Boards. Further discussion followed regarding Swatara Township's ability to provide their portion of the costs of the project.

In answer to who will be applying for the grant Solicitor Wolf stated we would be applying for the grant. He further explained that if we are forced to do the billing that we should have an agreement with Swatara that if their customers don't pay the user rate we would have an escrow account to draw from to pay the bills with them being responsible to collect from their customers.

Solicitor Wolf explained that the easiest solution would be if we get the system built that we would each be responsible for our own part including billing for user rates with us doing the operating and maintenance of the system and billing them.

Question was asked by Supervisor Miller as to what Swatara Township's position is. Solicitor Wolf stated he had talked with their attorney and received no answer. Scott explained that Swatara Township had adopted the new planning module. He further explained the new planning module would send the flows from Rockwood, to NLTMA and to the City of Lebanon. He said the three steps would be planning, permits, and then the grant application. The new planning module is the first resolution which the Board of Supervisors is being asked to adopt this evening with the second being a resolution to make the grant application that would be adopted by the Authority.

Solicitor Wolf stated he would like to meet with Swatara's attorney to find out exactly where they stand. Supervisor Miller stated it is in our best interest to do Option 1. He asked, what is our guarantee they have the good faith to follow through with the project.

Scott stated the most important issues this evening are that we need to pass a resolution to make the application for the grant and the Township needs to pass the resolution to adopt the planning module which is the concept to send the flows from Rockwood. Questions were asked regarding the paving of Grace Avenue, where the line would be, what the water table was in the Rockwood area, what the acreage might be for development in this area and what capacity remained. Scott replied that they would be required to connect to public sewer and that there were several hundred EDUs available. Scott explained how the number of EDUs was determined for this pump station.

Solicitor Wolf stated tonight they needed to decide if he was directed to meet with Swatara's attorney and to provide the information that we want to pursue as in Option #1 where they end up holding their part in putting up their money and in collecting money from their customers. Questions were asked what if we don't get answers from them by the July 1st application deadline because DEP gave us the ultimatum that we need to proceed. Discussion followed.

Solicitor Wolf stated first the Authority and the Supervisors need to agree that he can contact Swatara's solicitor and pursue entering into an agreement under Option #1; secondly the Board of Supervisors needs to pass their Resolution No.14-2010 for the planning module; and then the Authority needs to pass their Resolution 02-2010 which goes with the application for the grant. It was agreed that both Boards would like to pursue Option #1. Solicitor Wolf asked for a show of hands and all Board members, from both Boards, indicated their agreement.

Solicitor Wolf and Scott Rights answered questions regarding Resolution No.14-2010 and the planning module. Scott explained we would be making the application for the grant and then convey their portion to them once it is completed. Scott stated they would like to get the grant prepared so that it can be sent before July 1st.

Scott explained how the 537 Plan works and that when they pass the resolution, the Board of Supervisors is saying they will go forward. He said if you don't pass the resolution the recourse would be DEP would come back and say you don't have a 537 plan in place which means they will put a moratorium on all planning and they shut you down.

Discussion followed regarding the language of the resolution and Supervisor Brensinger stated it should state we will have the option to not proceed if we do not receive the H2O grant so that the user rates are reasonable.

Sol Wolf recommended changing the last sentence of the last paragraph to read, “The municipality hereby assures the Department of the complete and timely implementation of the said plan, as required by law, provided that the requested H2O Grant funding is received and that the average residential user rates do not exceed \$1000 per EDU per year.”

MOTION: Motion was made and seconded by the Board of Supervisors to adopt Resolution No. 14-2010 with the added language and verbiage as described by Solicitor Wolf. Motion approved.

Discussion followed regarding the costs of the project.

MOTION: Motion was made and seconded by the Municipal Authority Board to pass Resolution 02-2010 that we will be applying for the H₂O Grant with the maximum amount of two thirds of the total costs of the project. With no discussion, motion carried.

As there was no more business to conduct during this special meeting, the Supervisors meeting adjourned.

Respectfully Submitted,

Theresa L. George
Recording Secretary