

**MINUTES
NORTH LEBANON TOWNSHIP
BOARD OF SUPERVISORS
AUGUST 12, 2010**

An advertised special joint meeting of the North Lebanon Township Municipal Authority, the North Lebanon Township Board of Supervisors, and Swatara Township was held on Thursday, August 12, 2010 at 5:00 PM at the North Lebanon Township Municipal Building, 725 Kimmerlings Road, Lebanon, PA with the following people present:

Municipal Authority:

Wynanne Demler	Chairperson
Richard Miller	Vice Chairperson
Susan Switzer Pierce	Assistant Secretary
Tod Dissinger	Treasurer
Frederick Wolf	Solicitor
Sheila Wartluft	Assistant Township Manager
Scott Rights	Authority Engineer
Frederick S. Wolf	Henry and Beaver LLP

Board of Supervisors:

Richard Miller	Vice-Chairman
Edward A. Brensinger	Treasurer
Cheri F. Grumbine	Township Manager
Frederick S. Wolf	Henry and Beaver LLP

Swatara Township:

Dean Patches	Supervisor
Joe Gregory	Supervisor
Colleen Gallo	Solicitor
Jeff Golding	Engineer-Gannett Fleming
Jennifer Harding	Secretary-Treasurer

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

Solicitor Wolf stated that this was a special joint meeting for the North Lebanon Township Municipal Authority, the Board of Supervisors of North Lebanon Township, and the Board of Supervisors of Swatara Township regarding the Rockwood sewer project. Solicitor Wolf stated everyone had been given a copy of the agenda and also Rockwood Sanitary Sewer Extension Funding Scenarios. Solicitor Wolf said that the Board of Supervisors of North Lebanon Township has Resolution 14-2010, which is a Resolution for an Act 537 plan revision. There are some items marked on the Resolution which Scott will discuss with the Board of Supervisors of North Lebanon Township. The items which are marked are DEP requirements for plan, permit, and project approval. Wolf further explained that the North Lebanon Township Board of Supervisors would not be asked to act upon this new Resolution until the meeting the following Monday evening.

Solicitor Wolf stated that he would give a brief history of the project. The Rockwood area currently consists of 66 EDUs from Swatara Township and 9 EDUs from North Lebanon Township. Several years ago, Swatara Township and North Lebanon Township entered into an inter-municipal agreement to provide sewer service to this area, however, every time Swatara Township tried to proceed with the project, they were not able to secure enough grants or loans to make the user rates financially feasible. DEP has now come to the North Lebanon Township Municipal Authority and told the Authority that DEP expects it to do the project. Based on DEP's directive, the North Lebanon Township Municipal Authority has applied for an H₂O grant, where the Authority could receive up to two thirds of the eligible costs of the project. DEP has issued an Implementation Order to Swatara Township with a time schedule for completion. Solicitor Wolf explained that the representatives of the North Lebanon Township Municipal Authority and Swatara Township met with PENNVEST yesterday. PENNVEST explained to them that PENNVEST will use a formula to determine what the target user rates should be for these sewer customers. North Lebanon Township Municipal Authority has been looking at this project and that the affordable user rates should be in the range of \$1,000 a year for each EDU. The tapping fees have yet to be determined. PENNVEST will use its own formula to determine the target user rate. If the user rate is too high, PENNVEST will look into extending the amount of the loan and/or reducing interest rates. It is unlikely that this project will receive any grants from PENNVEST. The PENNVEST application must be filed by August 31, 2010 in order to be considered for the loan commitment to be issued by PENNVEST in November of 2010. The three municipal bodies agreed that the application for financing must be filed.

Solicitor Wolf stated there are other things which must be taken into account. We will be purchasing capacity at the City of Lebanon Authority Sewer Treatment Plant at a cost of \$2,090 per EDU with 66 EDUs for Swatara and 9 for North Lebanon. Solicitor Wolf also explained that all sewer connections going through the existing Authority pumping station in this sewer service area have two (2) Special Purpose tapping fees. Solicitor Wolf also explained that Swatara Township and the Authority have to look at what tapping fees are affordable and collectable from the sewer customers. Solicitor Wolf stated that Swatara Township does not own or maintain any sewer lines nor do they do any billing. It will be for the benefit of both the North Lebanon Township Municipal Authority and Swatara Township to have the Authority maintain the entire system since the Authority has the men, equipment and the experience to maintain the system. The Authority will bill each sewer customer for the operation and maintenance charges during each quarter.

Solicitor Wolf stated that both North Lebanon Township and Swatara Township must look at the future EDUs that will be added to the sewer system from future development. Wolf stated that the North Lebanon Township Municipal Authority is considering paying its portion of the costs, which are not covered by grants and loans, from its Capital Reserve account. Swatara Township will be expected to guarantee its portion of the debt. In discussing the debt with PENNVEST, it was discussed that Swatara would guarantee its portion of the debt, and Solicitor Gallo indicated Swatara was in agreement.

Solicitor Wolf stated they would need to be sensitive to the tapping fee for the residents in this area and also to the user rates. Supervisor Patches, from Swatara Township, mentioned if Swatara could complete the income study that they could determine who might qualify for grants and/or low interest loans. Solicitor Wolf stated that if the tapping fees and user rates are high that there will be a problem collecting.

A question was asked about whether or not the capacity fee to the City of Lebanon Authority is a one-time fee, and Swatara Township was informed that this charge is a one-time fee.

Solicitor Wolf stated Scott Rights would go over the chart regarding rates. Scott stated he believed that PENNVEST was thinking the target rate for each customer would be between \$1,000 and \$1,100 per year. Scott explained that he broke down the costs between the North Lebanon Township Municipal Authority and Swatara Township. He stated that if it was broken down between the 9 EDUs in North Lebanon Township and the 66 in Swatara Township that the percentage would be 12% North Lebanon Township and 88% Swatara. He further explained that the North Lebanon Township Municipal Authority may look at using funds from the Capital Reserve to pay its share of the costs and integrating their customers into their customer base. He said that this has not been decided. He said Swatara Township will have to guarantee its share of the debt. Scott explained the estimate of the projects costs on the chart that was distributed and the fact that the previous costs, which had been incurred by Swatara, had not been included in this chart and would most likely not be allowed on the grant application. Solicitor Wolf mentioned in his experience with two previous grants that they dated the eligible reimbursement costs back to the date of the application so that any costs prior to the date of application would not be considered for grant reimbursement. Scott explained that PENNVEST would consider design costs before construction. He further explained the numbers on the chart may go up if the previous costs are included. He stated that he looked at different grants and how the costs would change according to which grants may be awarded. He explained the costs on the chart. He further explained that the North Lebanon Township Municipal Authority has its charges plus the City of Lebanon Authority has treatment charges.

Scott explained a second scenario with a 1.5 million dollar grant. He explained they don't know what the end result may be depending upon the grants and loans. He said the last scenario is what the approximate user costs would be if no help was available. Jeff Golding, engineer from Swatara, stated a number of years ago they were told to not even bother to apply for loans, and then DEP put the heat on and required Swatara to fill out the applications. At that time they were rejected because it wasn't affordable and now DEP is saying it is going to happen.

Discussion followed regarding what the tapping fees might be for the sewer customers. Scott explained that he is not suggesting any figure and that the chart is just a means of explaining what might be needed to complete the project. Sheila explained the fees which are currently in place for anyone who is connected in this area. Solicitor Wolf stated that the purpose at this point is to start looking at the numbers. We will not know until November whether we receive the H₂O grant. We also don't know if we will receive a PENNVEST loan until November.

Solicitor Gallo stated that Swatara met with Senator Folmer and that he would be placing us on the high priority list. She said they also have a meeting scheduled with Rosemarie Swanger. She said Senator Folmer also agreed to send a letter to PENNVEST.

Scott stated before he completes the PENNVEST application he needs to know who the applicant is, who the owner is, and who the operator of the system is. Solicitor Wolf replied he believes North Lebanon Township Municipal Authority will be the operator. Solicitor Gallo stated from her previous experience that each municipality would need to guarantee its portion of the debt. Sheila explained according to our licensing that we need to own the system for our licensed operators to maintain it.

Scott stated that for the total project costs that North Lebanon Township is responsible for 12% and Swatara Township for 88%. We could take North Lebanon Township out of the equation by saying that North Lebanon Township Municipal Authority will guarantee ours with our Capital Reserve Fund and with Swatara guaranteeing its share however they want. Swatara suggested that the Authority go ahead and make the PENNVEST application with an indication in that application that each municipality would guarantee the financing of its percentage of the debt. It was further stated that Swatara would need to name the Authority as its agent for service of the system in an inter-municipal agreement. Scott stated that he would like direction from the Board to go ahead and make the application to which everyone agreed. The North Lebanon Township Municipal Authority unanimously passed a Resolution to file the application for financing with PENNVEST.

Solicitor Wolf stated that they should discuss placing the sewer line on Grace Avenue where Penn Dot will be paving in September. He stated Swatara Township has a price from the contractor in the neighborhood of \$200,000 not including rock of which they have \$100,000 in a Growing Greener Grant. Swatara has permission to use the grant towards this project, and they have offered to fund the rest of this cost as long as there is an agreement between the parties that when this project moves forward that anything else, beside the Growing Green Grant, would need to be reimbursed. Solicitor Wolf stated that there is a shortage of time. Scott stated Penn Dot would not allow the sewer work to be linked with the paving, and we need to have a contract that the work will be completed before September 15th. Supervisor Gregory from Swatara said they were told by DEP that the line will be going in the road and the grant will be paying for it. He further stated that with the open cut crossing of the road that the project could be implemented through some private rights of way. Scott stated that he is going on the premise the North Lebanon Township Municipal Authority will own the system and that they will maintain it. The Authority has a strong preference where the line goes. It was stated that the concern is that they get in the facilities that are necessary to allow us to construct the project at the most reasonable cost to the residents and as a minimum, the open cut crossing of Grace Avenue. Scott stated that the contractor will not guarantee the work to be done before the deadline and explained the liability of the settling of the trench area if we decide to go with another contractor. Supervisor Brensinger asked if there was a problem with groundwater in the area that would be a concern for settling. He also mentioned that the Authority would be the permittee on the Penn Dot permit and would be liable anyway.

Solicitor Wolf stated that the Board needs to decide whether we want to do the project and who they would like to complete the work.

MOTION: Motion was made by Sue Switzer Pierce and seconded by Tod Dissinger that North Lebanon Township Municipal Authority contract to do the Grace Avenue sewer work on an emergency basis with Marks Contractors to do the work assuming they will be able to do the work with the bid they have already submitted and with Swatara Township to pay all costs of the project. Motion was unanimously carried by the North Lebanon Township Municipal Authority.

Solicitor Gallo stated they should designate a night to set up another joint meeting. A meeting between the two boards was agreed upon for 7:00 p.m. on Thursday September 16th to be held at Swatara Township.

Comments from the Public

Martin Barondick asked if there was a map of this project to which Scott Rights replied there is one available. He stated he was in attendance for several of his friends who own businesses in this area. Scott stated they are making applications for grants and also applying to PENNVEST. He stated once they get the funding offers back then we will be to look at tapping fees. He further stated they are under an implementation order from DEP stating it has gone on long enough and it needs to be done. Question was asked how far back from a main line does a property need to be before it is not necessary to hook up. Scott stated 150 feet is what the ordinance requires.

Mr. Barondick stated at one time people in that area qualified for government loans. Reply to this question was that it has not yet been determined but qualification may depend on income. In reply to the question when it would be complete, Scott replied that the implementation order says approximately September 2011. Mr. Barondick asked a question about Horst Drive to which Scott replied this is not part of the Rockwood Project. A representative from Swatara Township stated the properties on Mountville Drive would not be affected by this project.

Scott Rights stated Marks would give us an answer as to whether they could complete the project in time by Monday.

Meeting was adjourned at 7:00 p.m.

Respectfully Submitted,

Theresa L. George
Recording Secretary