

**MUNICIPAL AUTHORITY
EAST HANOVER TOWNSHIP
AND
BOARD OF SUPERVISORS JOINT MEETING
Minutes**

JULY 11, 2017

The Joint Meeting for the East Hanover Township Municipal Authority and the East Hanover Township Board of Supervisors was held on July 11, 2017, at 6:00 p.m., at the East Hanover Township Municipal Building, 8848 Jonestown Road, Grantville, PA 17028. Chairman Rick Hoover called the meeting to order with a roll call of members. Members present: Rick Hoover, Smittie Brown, Mike Webb, Rich Gold, and Alphonse Lepore. Board of Supervisors, Chairman Michael Yingling, Vice-Chairman George Rish, Glenn Moyer, Rob Hess and Rick Smith also in attendance. Also in attendance were: Lee Stinnett, of Salzman Hughes, Solicitor; Howard Butler of GHD, Engineer; Andy Stein, Consultant, Stein Consulting; Curt Cassel, WWTP Operator; Paul Cornell, Township Manager; and Frances Peck, Recording Secretary.

The meeting was audio taped. The tapes are strictly for the use of the Recording Secretary for clarification during preparation of the minutes.

Public Input: No input.

Approval of the Minutes: Alphonse Lepore made a motion, seconded by Rich Gold, to approve the minutes of the June 13, 2017, regular meeting as presented. The motion unanimously carried with a 5-0 vote.

VSSF CPA 2016 Audit Report Review - CPA: Brown, Schultz, Sheridan and Fritz CPA, Mr. John Bonowitz, a Senior Partner, discussed the review of the BSSF CPA 2016 Audit Report. Supervisor Hess asked what he meant by the suggestion regarding lack of segregation of duties, and was he suggesting a part-time bookkeeper for the Municipal Authority? Mr. Bonowitz said he was suggesting utilizing a part-time person for the Municipal Authority and to use Deborah Casey for check and balances, so that one person isn't doing everything, such as collecting the cash, depositing the cash in the bank, writing and signing the checks. Supervisor Hess asked if the person, for the Municipal Authority, would be responsible for generating the invoices as well? Mr. Bonowitz said that would probably be sufficient. Chairman Rick Hoover said that Smittie Brown and the Auditor should get together and sit down before the next audit and review the process.

Secretary's Report and Communications: No report for this month.

Treasurer's Report: Alphonse Lepore made a motion, seconded by Rich Gold

to ratify the bills paid, approve payments of the bills presented, and to accept the Treasurer's Report for June 2017, as presented, subject to audit. The motion unanimously carried with a 5-0 vote.

Receipts Sewer Fund	\$ 3,283.81
Expenditures Sewer Fund	\$ 50,316.69
Total Funds Available	\$339,290.92

Reports:

Solicitor's Report : Lee Stinnett reported the report will be based on the 2020 extension and combining it with the capacity question at the current plant, and the conversations Lee Stinnett has had with Howard Butler, Paul Cornell and Andy Stein, This would be regarding thoughts about what the next steps should be regarding the question, most specifically, on the paper re-rate that was discussed at the last meeting. Discussed was a paper re-rate for the organic capacity of the plant, in light of the watershed improvement plan that is in place for Pennsylvania. Also, discussed was the question of whether the Municipal Authority is even able to request a re-rate on the organic side, or if there was a stream problem? Records have been searched regarding this and in order to answer the question, the Township Municipal Authority should go to the source and schedule a meeting with DEP to see if they are going to consider an organic re-rate to the plant. After the discussion, there was a recommendation for a DEP pre-meeting to sort this out. It was the consensus of the Board that Howard Butler and Lee Stinnett have a pre-meeting with DEP.

Chairman Rick Hoover reported that the conclusion of last Month's meeting, Howard Butler had submitted a Task Order No. 5, a Professional Service Agreement, titled Dairy Lane Wastewater Treatment Plant Capacity Re-rate, on the amount of \$12,000. Alphonse Lepore made a motion, seconded by Smittie Brown, to authorize Task Order No. 5, in the amount of \$12,000 for the re-rate for the Dairy Lane Wastewater Treatment Plant Capacity. The motion unanimously carried with a 5-0 vote.

Manager's Report: Township Manager Paul Cornell discussed the EDU Review with the Board regarding the auditor's suggestion that the Municipal Authority should be looking to audit the billing, based upon the EDU's, to determine the remaining capacity. Paul Cornell reported that as of today they have finished their research on all of the records that could be found and they will be kept in a file.

Engineer's Report - GHD: Howard Butler gave the following report:

Task Order No. 1: Annual Retainer Annual Wasteload Management Report: Retainer services cover attendance at the monthly meetings, the engineer's report, review of the annual Wastewater Management reports, and review of the draft budget.

Task Order No. 4 - Manada Oaks Forcemain Siting Study:

We are awaiting direction from the South Hanover engineer regarding the options for upgrades at their pumping station. A very rough evaluation of the force main from the Venice Pump station to the Derry Township system shows that the pumps are likely the limiting factor.

Developers:

- Talley Petroleum - GHD observed the connection of the new force main to the Authority's sewer system. Pressure testing was completed - results of the test are still owed to the Authority.
- Sheetz - Planning module/Request for Capacity - approved at the June meeting, no current engineering items outstanding.
- 252 Bow Creek Road - RJ Fisher Proposed 92 rooms - 23 EDUs. Developer is looking for clarification on remaining EDUs prior to the August planning commission meeting.

Chairman Rick Hoover discussed the reassessing some of the cost for the 20/20 Project. Howard Butler discussed connections to South Hanover and Derry Townships. Chairman of the Board of Supervisors, Mike Yingling, discussed possibility of meeting with developers, who are willing to work with East Hanover Township to build lines, build pumping stations and pump into West Hanover Township, and asked why this was not feasible? Howard Butler reported that the option of exporting it to South Hanover Township, or West Hanover Township requires a revision to the plan. Chairman Yingling asked if Howard Butler had met with the developer's engineer and attorneys to discuss cost? Howard Butler said, no, he had not met with them as he had nothing definitive from them as to the kinds of flow, or the specific parcel they are looking at. Chairman Yingling said that as bodies of the Township, every possible scenario has to be investigated, until it is not feasible anymore. Chairman Rick Hoover asked if Chairman Yingling was asking for the Municipal Authority's Engineer to meet with the developer's engineer, and the Municipal Authority's Attorney to meet with their attorney sometime before the next Municipal Authority's regular meeting? Chairman Yingling said, yes. Chairman Hoover asked Howard Butler, and Lee Stinnett if that was a reasonable action item? They indicated, yes. Chairman Rick Hoover said the challenge is that it is an Inter-Municipal exchange and the Inter-Municipal Agreements have to be signed, sealed and delivered by December 31, 2017. If this doesn't happen, they the Municipal Authority has to go to their plan.

Industrial Pretreatment Program was discussed and Solicitor Lee Stinnett said that this is a separate program and would likely be part of an NPDES permit cycle and a mandate from EPA. Chairman Hoover asked since the pump station in South Hanover Township is not owned by South Hanover Township, who does East Hanover Township negotiate with and who do you seek agreement with? Solicitor Stinnett said that was

more of a discussion between South Hanover Township and the Trust. It is his understanding that working with the Trust Counsel, a new connection, that isn't the Trust, into the pump station is to be dedicated. It has not yet been dedicated to a municipality. That is why it is absent from the Chapter 94 Report. Chairman Hoover asked what the next step would be? Howard Butler stated that the next step is if there is any kind of a commitment from the developer, and it could be settled by the end of the year, that would put West Hanover Township as a potential export. The pre-meeting with DEP for the re-rate will essentially set the tone. Mr. Butler said his preference would be that Paul Cornell and Chairman Hoover would be at the meeting with DEP. Chairman Yingling stated that we should find the most cost effective way to serve our residents. Chairman Hoover asked if there were any other alternatives that should be looked at? Chairman Yingling discussed when the force main is put in, and trying to keep the rural character of the community, what powers do the developers have that come in, for hooking up to the force main? Howard Butler went over the DEP meeting to go over the re-rate; meeting with the developer for the properties along Route 22, and then reaching out to West Hanover Township to either add them, or eliminate them as an option as an alternative to South Hanover Township, or a potential future for that developer specifically. It makes sense just to have it on the books that if he does put a land development in, for the third one to request a zoning change, that we have some idea where that flow can go. Mike Webb reminded Lee Stinnett about the industrial discharge issue.

Consultant: Andy Stein gave a review of the financial options and discussed the in-depth meeting last Tuesday, with Paul Cornell, and the Municipal Authority Board regarding the Township's finances, as a whole. So, they are fairly up-to-date. Andy provided the Boards with copies of the current billed EDU's, annual rate, revenue, debt service, debt service as a percentage of revenue, project cost, borrowing full project cost net of tap fee and assumed interest rate. He gave the 2022 low estimate and the 2022 high estimate. Chairman Hoover said by consensus the Board is toward a \$800 a year target, but they have to be careful of the sewer rates.

Plant Operator's Report: Curt Cassel presented the report that had been sent out, and if there were any questions.

Review of 2020 Project Status: Paul Cornell said he has nothing to add other than starting work on the 2018 budget and there are specific line items he has been asked to place on that and he will follow through with the request.

Old Business:

Smittie Brown asked about Diversified Technologies. Paul Cornell gave an update regarding what has been done.

Mike Webb asked Paul Cornell if he was making any progress on the past dues. Paul Cornell said he is making quite a bit of progress on collections and discussed possible liens on the properties, or turning them over to the sheriff. The problem is they are the

same people as before.

New Business: No new business at this time.

Adjournment: Mike Webb made a motion, seconded by Alphonse Lepore to adjourn the meeting. The motion unanimously carried with a 5-0 vote. The meeting adjourned at 8:10 p.m.


Frances Peck, Recording Secretary