

Weaverland Valley Authority

Meeting Minutes

April 3, 2017

The Board of the Weaverland Valley Authority (“Authority”) met at the East Earl Township building 4610 Division Hwy, East Earl, Lancaster County, Pennsylvania on April 3, 2017. Chairman Ken Witmer called the meeting to order at 6:30 p.m. and informed all present that the meeting was being recorded by a resident.

The following Board members were present: Ken Witmer, Harold Kilhefner, Gene Pierce, Jerrene Zimmerman, Jason Firestine and Scot Ash. Also present were Bradford J. Harris, Good & Harris LLP; Jeff Sweater, ELA; and Denise Bensing, Administrative Assistant.

MINUTES: A motion was made by Jerrene Zimmerman, seconded by Gene Pierce, that the minutes of the March 6, 2017 meetings be approved as submitted. The motion carried unanimously.

PUBLIC COMMENT:

Many residents from the Spring Grove Rd. area were present to discuss being required to connect to the public sewer system. They stated they voted for Nelson Groff because he said if he was elected he was going to stop this from happening. *Jeff explained that when Nelson was elected, it was already too late to stop the project. Nelson was also present and explained that he has looked into other potential solutions but has not been able to find anything to “hang his hat on.”* The residents wanted to know why this project isn’t only focusing on Goodville. *Jeff explained that they were informed that there were problems with systems in the Spring Grove Rd. area which is why wells were tested in that area. 20% of the wells were tested and they found nitrates, e-coli, and coliform in many of the wells. E-coli typically signifies failing on-lot sewer systems.* One resident explained that she had a UV light installed to address her contaminated water and wanted to know why other residents can’t just install UV lights. Was there a scientific way to determine which wells were tested? *Jeff explained that residents were asked if they wanted their wells tested. How many wells need to fail to before residents are required to connect? Jeff explained that zero wells need to fail to require somebody to connect but it is an indication of failing on lot systems. Why not just sewer Goodville? The area was expanded when the decision was made to have a joint authority and treatment plant. Who approve this? The East Earl Township Supervisors and Terre Hill Borough Council did. Is there an appeal process? Brad explained that the appeal process time has already passed. The project was turned over to this Authority to implement. Is the Township financing the cost? There is a program through USDA and PennVEST. The PennVEST program offers full financing loans to homeowners at a 1.75% interest rate for 20 years. Ken explained that the 537 Plan started with failing on lot systems in Goodville. DEP required public sewer in Goodville or there would be hefty fines. The board is trying to make it work in the most cost effective way. Gene explained that the engineer was chartered to find a solution. They looked at 5 options. Then the state looked at what options would be best for the region. Speaking for Terre Hill, Gene explained that they didn’t need to join the 537 Plan but chose to do so to help make it better for the region. He also noted that a regional plant is more attractive to DEP who would be approving the plan and providing funding. Why was Spring Grove Rd. included? The more connections, the more cost effective it is. How much will Terre Hill resident bills increase? We can’t answer that at this time. There is a rate study being completed now. The rates will be the same across the board. How will it be determined how much will be charged? Will it be a flat rate? The rates are undetermined at this time. If there are no exceptions for connection, why were all the farms skipped? When the 537 Plan was prepared, ELA was told there were problems in the Spring Grove Rd. area which is why wells were tested in that area. Everything within the 150’ of the Right of Way is required to connect and most farm houses are more than 150’ away. Many residents said that a farm in the area has a house closer to the road than their houses. Jason asked Jeff if farms were exempt or just not included. Jeff explained that they were not exempt. They just were not included at this time. Jason explained that this will also affect his family because his in-laws live on Hayfield Dr. and will also be required to connect.*

Robert Hare, 416 Spring Grove Rd. – Mr. Hare would like to go on record saying that he feels they are being discriminated against because of their locality and they are being included because the Township just wanted their money. He can’t afford to pay \$20,000 to connect when he doesn’t even have a problem. It’s not fair and it was not announced properly nor properly disclosed. He doesn’t feel this will make the region better.

Diane Shirk, 408 Spring Grove Rd. – The board is here to guide the residents. If they can't do that then they need to inform them what their rights are.

Scot explained that he felt the same way when his development was required to connect. Gene encouraged the residents to read at least some of the 537 Plan that is available on the Borough and the Township websites. Jeff also noted that if the wells that were tested in the Spring Grove area would not have tested high in E. coli and coliform, they would not have been included in the plan.

Eileen Henry, 1490 Ironstone Dr. – Ms. Henry only found out about this last night and she feels blindsided. She would have been here a couple of years ago if she had known. When was this first in place and how were people notified? *Jeff explained that the last Township newsletter discuss the joint authority and treatment plant. When will they be required to hook in? In approximately 4 years. Is there any recourse? Jeff and Brad both said not that they know of.*

Kelly Searle, 409 Spring Grove Rd. – Are the lines (delineating the service area) permanent or can more be included? *More can be included.* She feels more should be included. She also explained that she knew nothing about this before now and feels communication must be better.

Peggy McDevitt, 415 Spring Grove Rd. – Why are the farms exempt? *The farms are not exempt.* Then why aren't they included? *A cluster area of homes typically has the most compensation. The cost to run a line to the farms for the number of connections would end up affecting the cost for others. Ken also noted that if a farm is going to be developed they would then be required to connect.*

Ed McDevitt, 415 Spring Grove Rd. – Who made the final decision on what would be done? *ELA prepared the 537 Plan then the Township and the Borough approved it. DEP then reviewed it and requested amendments to include some farms. After the amendments were made, DEP approved the plan.*

ADMINISTRATIVE REPORT:

Denise distributed Statements of Financial Interest to the board members. She explained that the forms need to be completed for the year of 2016 and returned to her so she can provide them to the Township. Brad and Jeff will also send a copy to Denise.

FINANCIAL REPORT:

The Financial report was read with \$33,077.82 in bills for approval.

Business Checking – Fulton Bank	\$196,653.65
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A motion was made by Scot Ash to approve the financial report and pay the bills, seconded by Harold Kilhefner. Motion carried unanimously.

Denise also reported that the loan with Fulton Bank currently has a balance of \$637,810.00 and the first payment will be due in June. With no income, this payment will need to be paid from the borrowed funds.

A resident said it seems fiscally irresponsible to borrow from a loan to pay a bill. How was \$33,000.00 in bills incurred? The board explained that the engineers and solicitor need to be paid.

ENGINEER'S REPORT:

Terre Hill NPDES Permit: The Borough's existing NPDES Permit will expire on June 30, 2018. The NPDES Permit renewal applications must be submitted no later than 6 months prior to the permit expiration date. If the Authority owns the WWTP prior to Dec. 30, 2017, the Authority will need to submit the application prior to Dec. 30th. Gene reported that the renewal application is already in process.

Goodville Industrial Center NPDES Permit: The GIC's existing NPDES Permit which is issued to East Earl Sewer Authority will expire on April 30, 2020. The NPDES Permit renewal applications must be submitted no later Oct. 30, 2019.

Potential New Fees: Jeff explained that due to funding shortfalls, the PA DEP is looking to charge an annual fee for public water systems. The fees would be charged for each facility which would mean that the Authority would need to pay two fees. Under the current pre-draft proposal, the Authority would pay \$2,000 annually for the THB system (population 1,295) and \$2,000 for the BBWA system (population 1,946). If the population goes over 2,000 people, the annual fee would be \$4,000.

Rules and Regulations Committee: ELA received 2 comments (1 water & 1 sewer) regarding the draft Rules & Regulations. The sewer comment was in reference to enforcement action. The water comment was in reference to backflow preventers. The draft Rules and Regulations require backflow preventers be tested for commercial and industrial customers. ELA would recommend a list be maintained and for the Authority to enforce that backflow preventers be tested yearly. Jason asked if residents have backflow preventers and if they testable. Bruce noted that all the residences he has been in have them but he does not know if they are testable. Ken said a lot of hard work was put in to drafting the Rules and Regulations.

Rate Study: David Busch would like to set up a meeting the week of April 17th to discuss the rate study. The board asked Jeff to schedule a meeting on April 20th at 6:30 p.m.

Property Acquisition: Jeff spoke with Loren Zimmerman and he is concerned about the location of the Frogtown Rd. pump station proposed on his property. Mr. Zimmerman is willing to work with the Authority but is concerned about losing additional farmable land.

Comparison of Union Grove Rd. & Spring Grove Rd. Sewer: Jeff distributed an analysis of the cost for the different sewer options for this area. He explained that the cheapest option would be low pressure especially if the Authority isn't going to maintain the grinder pumps. The most expensive option would be a gravity system with one pump station. Harold asked how many grinder pumps would be avoided if it were a gravity system. Jeff said approximately 76. Jeff also explained that another issue with low pressure and grinder pumps is it is not as easy to expand on the system. Jeff was asked for his opinion. Jeff said if he were a homeowner, he would prefer gravity but gravity systems typically have more inflow and infiltration. Gravity is also more expensive to install especially if rock is encountered. Harold asked if it would make sense to get the opinion of another engineer. Jerrene agreed that it would be a good idea. Jeff recommended also talking with Bruce and Bob. Bruce asked what size the pumps would be if it were all gravity. Jeff noted they would be 7 ½ HP maybe a little more but 3 phase power would still be needed. A motion was made by Harold Kilhefner to request Gary Martin with Backer Engineering to review the analysis, no more than 1 hour, and to attend the April 20th meeting, seconded by Scot Ash. Motion carried unanimously.

USDA Funding: ELA has been working on answering questions for the USDA. The USDA representative would like information on the number of service connections and O & M costs for flows that go to New Holland Borough and flows that go to Earl Township. At this time East Earl Sewer Authority doesn't have this information because O & M costs are not tracked separately. The USDA would like this information to determine a weighted Median Household Income(MHI). This information will be needed in the future in order to pursue grant money.

Professional Service Agreement: Jeff asked if there were any questions regarding the Professional Service Agreement that was distributed at the last meeting. Ken asked if somebody reviews the finished design. Jeff explained that DEP would review it. USDA would also review it and PENNVEST would require a 3rd party review. Ken's area of concern is the cost of change orders. Jeff explained that if ELA fails to design properly the Authority would not be charged for the change order. Gene emphasized that the Authority has gone too long without a contract and feels something needs to be done.

Robert Hare feels that for the Authority to do due diligence they should put it out for bid. Gene explained that the decision to have ELA design the plant was based on the fact that they were involved in preparing the 527 Plan. Jeff also explained that due to the consent order with DEP and the time constraints the decision was made to stay with ELA. Gene Pierce made a motion to accept the scope of service from ELA, seconded by Jerrene Zimmerman. Motion carried unanimously.

SOLICITOR’S REPORT: Brad announced that the board will hold an executive session at the end of the meeting to discuss real estate acquisitions.

Brad asked the board if there were any questions regarding the Assignment and Assumption Agreement prepared by Frank Mincarelli. Gene asked if it should be reviewed by the solicitor available through PMAA first. Brad said he spoke with the Eastern District Rep and he didn’t have a lot of input. Brad also feels that there would be a charge for a review from PMAA. The Township solicitor reviewed the agreement and approved it. Jerrene Zimmerman made a motion to approve the Assignment and Assumption Agreement, seconded by Harold Kilhefner. Motion carried unanimously.

DAY-TO-DAY COMMITTEE:

Meeting With Terre Hill Borough Staff – Harold reported that the committee met with Valerie regarding her concerns. He felt that it was a good meeting.

General Liability and Error and Omissions Insurance – Denise explained that she obtained quotes from the Borough’s current carrier and the BBWA and EESA’s current carrier. She explained the difference between the two kinds of insurance. The committee discussed the two options and is recommending the traditional coverage with Selective Insurance. Harold Kilhefner made a motion to contract with Murray Securus (Selective) for a general liability policy and error and omissions coverage at a cost of \$6,504.00 for a \$1 million policy with a \$4 million umbrella, seconded by Jason Firestine. Motion carried unanimously.

Ken also reported that he attended the Board of Supervisors meeting and requested to continue to lease the employees from the Township. He offered to pay an administrative fee for the additional time it takes to bill for the costs. Ken received a letter stating the Township is willing to continue to lease the employees and is recommending an administrative fee of \$75.00 per month which would be billed quarterly. The board felt the fee is reasonable. Jerrene Zimmerman made a motion to accept the Township’s proposal to pay the administrative fee of \$75.00 per month, seconded by Scot Ash. Motion carried unanimously.

The board adjourned the meeting into an executive session, for the purposes of discussing real estate acquisitions, at 8:25 p.m. The meeting will be continued on April 20, 2017, beginning at 6:30 p.m.

Respectfully submitted,

Denise A. Bensing

Cc: Scot Ash
Harold Kilhefner
Scott Marburger
Randy Miller
L. Eugene Pierce
Kenneth Witmer
Jerrene Zimmerman
Jason Firestine
Bradford J. Harris, Attorney
East Earl Township
Terre Hill Borough
Robert Rissler
Jeff Sweater, Consulting Engineer
Gary Martin, Becker Engineering
Frank Mincarelli, Blakinger Thomas