

**LOWER PAXTON TOWNSHIP
AUTHORITY BOARD**

Minutes of the meeting held on August 25, 2020

A meeting of the Lower Paxton Township Authority Board was called to order at 7:01 p.m. by Chairman Blain on the above date at the Lower Paxton Township Municipal Center located at 425 Prince Street, Harrisburg, Pennsylvania.

Board members present in addition to Mr. Blain were Robin Lindsey, Chris Judd, Norman Zoumas, David Ramsey, and Robert Oakes. Also in attendance were Bradley N. Gotshall, Township Manager, William Weaver, Timothy Nolt, James Wetzel, and Steve Stine, Township Solicitor.

Pledge of Allegiance

Mr. Ramsey led the Pledge of Allegiance.

Approval of Minutes

Mr. Zoumas motioned to approve the minutes of the May 26, 2020, meeting. Mr. Judd seconded the motion. Mr. Blain called for a voice vote, and there was a unanimous vote of approval.

Public Comment

There was none.

Board Members' Comments

Chairman Blain announced that Gary Crissman had resigned from the Authority Board and Board of Supervisors earlier this month. There is a vacancy on the Authority Board that will be filled by the Board of Supervisors. He served along with Mr. Crissman for 12 years as a Supervisor and a member of the Authority Board. He commended Mr. Crissman for his expertise on the finances of the Municipal Authority.

Sanitary Sewer Fund

Business

Resolution 20-09 authorizing and approving the Subsidy Agreement with the Township for the Series 2020C Bonds

William Weaver presented Resolution 20-09 and the Subsidy Agreement with Township for the Series 2020C Bonds, a refunding of a portion of the 2014 and 2016 Bonds at a projected savings of \$270,000.00 per year in debt service and authorizing the signature on the Subsidy Agreement.

Mr. Blain noted that the Board of Supervisors had already authorized the refunding of the 2014 and 2016 Bonds and Subsidy Agreement. This refunding makes sense because the interest rates are at historic lows.

Mr. Zoumas made a motion to approve Resolution 20-09, which authorizes and approves the Subsidy Agreement with the Township for the Series 2020C Bonds. Ms. Lindsey seconded the motion. Mr. Blain called for a voice vote, and the vote was unanimous.

Review of the Draft 2021 Sanitary Sewer Fund Budget

Mr. Weaver presented the draft 2021 Sanitary Sewer Fund Budget. The current Sewer rate is \$153.00 per quarter. The staff would revise the Rate Table for the November meeting following receipt of the revised Debt Service schedule showing the 2020C new debt service, based on preliminary information; the new Debt Schedule will reduce the annual debt payments by \$270,000.00.

Mr. Weaver highlighted the new budget items and those that have changed from the last year. The sewer rental fees and tapping fees have not changed. The PGLIT ARM Interest income is \$150,000.00; while the interest rates are good for borrowing, they are not good for earning interest.

The sewer rental and tapping fees have not changed. However, the Sewer Authority received an extraordinary amount of income from tapping fees from the Blue Ridge Country Club's development. The revenue from tapping fees could remain consistent with the new developments; however, it cannot be determined with COVID-19 slowing down development in the Township. The Storm Sewer reimbursement is new; it will reimburse any cost-shared by employees servicing the Stormwater Fund, the billing, and TV services. The estimated revenues for 2021 is \$17,027,314.00.

Mr. Weaver reviewed the expenditures, noting that the Management Reimbursement expense had increased due to the increase of pension funds anticipated in 2021 due to the debt smoothing. The budget is in final form except for the Swatara and Capital Region Water (CRW) transmission and treatment costs; these line items will be updated for the November meeting following receipt of the new rates from Swatara and CRW. The Debt Service Repayment Schedule has been updated based on the Debt Service Repayment Schedule provided by Susquehanna Group Advisors. The schedule will be updated again after the refinancing that was just approved by the Authority Board. The Authority's total operating expenditures is \$17,865,173.00. The Authority staff has never reported a negative deficit; GHD had predicted this deficit. The deficit is \$800,000.00 however, the Authority has received the 2019 Final Audit Statements, which indicate an accumulation of \$19,500,000.00 in reserve funds.

Mr. Blain noted that once the refinancing of the Series 2014 and 2016 debt payments is complete, the debt payments will be reduced. He asked Mr. Weaver how much debt the Township has as of the end of the Audit. Mr. Weaver explained that the total amount of debt for the Authority's Sanitary Sewer is \$116,000,000.00 and for Stormwater \$9,200,000.00.

Mr. Blain noted that the rates could change after the debt is refinanced and restructured. The Authority Board does not have to approve the rate schedule until the November 24, 2020, Authority Board meeting.

Mr. Weaver noted that the rates would not increase next year, and with this refinancing, there would be a decrease in the debt service. The rate schedule will be presented to the Authority Board at the November 24, 2020, Authority Board meeting.

Mr. Weaver reviewed the Capital Improvement Budget, noting that Vartan's new development in Susquehanna Township is precipitating the Interceptor Project that has been on hold for years. The Township must contribute to this project, and that contribution is estimated at \$2,200,000.00. The final agreement may be available for the Authority Board to review at the next meeting in November. The total Capital Expenditure estimated for 2021 is \$17,897,750.00.

Mr. Blain inquired about the Authority's Management Reimbursement Agreement and the time study discussed last year. Mr. Weaver explained that he had completed the time study and proposed hiring an Accountant in the Sewer Authority due to the department's size and some issues that the auditor identified. There was a general discussion about the Authority's Audit, Accountant position, segregation of duties, and financial controls in the department.

Mr. Weaver asked the board members for their permission to move forward to advertise the Accountant position. Ms. Lindsey indicated that she supports the Township hiring an Accountant, especially if the auditor had recommended it. Mr. Blain suggested that Mr. Weaver advertises for the Accountant position as soon as possible.

Mr. Judd noted that he thinks it is a big deal whenever the Township creates a new position; he wanted to know if the Authority would reimburse the Township for the Accountant position.

Mr. Weaver explained that all the expenses for the Accountant position would be paid from the Sanitary Sewer and Stormwater Funds.

Ms. Lindsey suggested that Mr. Weaver consider scheduling a Road Tour for the Authority Board members this fall, September or October, and another in the spring.

Mr. Weaver noted that Ms. Lindsey had suggested that the Authority schedule monthly meetings beginning in 2021 instead of quarterly meetings. He updated the budget to include both GHD and HRG attendance at the monthly Authority meetings.

Action on Amendment #1 to the Paxton Creek Interceptor Agreement

Mr. Weaver presented the Amended Paxton Creek Interceptor Agreement noting that the Authority Board had tabled this item at the last meeting. The staff, representatives of GHD, and Mr. Stine met with representatives of Susquehanna Township in July. This Amendment would establish the Interceptor's safe carry capacity, and it increases the Authority's capacity from 10.57 to 12.34 MGD. This increase is significantly based on current data, and it would allow for the delay of Storage facilities in Paxton Creek until 2040. He recommended that the Board approve Amendment #1 to the Paxton Creek Interceptor Agreement.

Mr. Blain noted that the agreement is significant because the Authority Board had discussed this many years ago and GHD had planned to have the additional storage in Susquehanna Township around this time frame.

Mr. Ramsey inquired about the additional capacity; he wanted to know where it came from. Mr. Weaver explained that CRW had not allowed the full capacity because they were surcharging immediately. Over the last three years, they cleaned out their Interceptor, which has freed up free-flow capacity.

The surcharge capacity is new, and the Township addressed this with the Pennsylvania Department of Environmental Protection (PA DEP). The Township is one of the first in the state to obtain permission from PA DEP to use surcharge capacity.

Ms. Lindsey made a motion to approve Amendment #1 to the Paxton Creek Interceptor Agreement. Mr. Zoumas seconded the motion. Mr. Blain called for a voice vote, and the vote was unanimous.

Township Reports

A. Review of Resolution 20-08 – waiver of penalty expires 8/31/20

The Authority Board approved Resolution 20-08, which waived the late fee penalties for two quarters for residents that may have had a hardship due to the COVID-19 Pandemic. This waiver cost the Authority \$40,000.00 per quarter, which is a total of \$80,000.00. This Resolution also ratified that the Sewer Authority cannot shut off the water for delinquent accounts. Mr. Weaver recommended that the Authority Board allows the Authority to go back to business as usual, starting with the October billing. The staff would like to begin releasing accounts to the solicitor to lien. Still, it would hold off on the Sheriff's Sale of properties because Dauphin County has limited staff and has not determined how to facilitate the Sheriff Sales. Stormwater's current delinquency rate is 3% because the funds are applied to the Stormwater fund first, and the delinquency rate for the Sewer bill is 4.5% - 5%. There was a general discussion about the delinquent account collection policy and procedures. The Authority Board members agreed to allow the Authority to resume business as usual.

B. Review of Presentation to DEP and Swatara for the Second Consent Decree Annual Meeting held on August 11, 2020

The Beaver Creek and Paxton Creek Corrective Action Plans are on schedule and in compliance. Mr. Weaver mentioned that he plans to delay his presentation because there is still a lot going on with Paxton Creek. The original plan for Paxton Creek was to delay storage during future sewer replacements, but now there is additional capacity. Additionally, the staff informed representatives of PA DEP and Swatara Township about an issue at Spring Creek. A sewer line needs to be replaced to eliminate a bottleneck; the line is located between Dartmouth Street and an area behind the hospital. The only comment at the meeting came from Alex Morrison, Engineer, Swatara Township requested that GHD evaluate the extra capacity to ensure there are no problems in Swatara Township. GHD has not completed this evaluation yet, but they do not anticipate a delay in the project. The projects are required by the Consent Decree, which does not expire until 2033. Mr. Weaver indicated that he would provide a detailed report about Paxton Creek in February 2021.

C. Update on current construction projects

Tim Nolt presented an update on the Mini Basins BC-2A,2B,2C, and 5B Sewer System Improvements Project using the Lowerpaxtonatwork.com website, an online Story Map. This project is located in the eastern Linglestown area. The contracted work is to perform Sanitary Sewer upgrades to 7.5 miles of mainline sewer, 190 manholes, 530 laterals, and Stormwater upgrades to 2.0 miles of storm sewer, 125 drainage structures. The contractor is DOLI Construction Corporation, and they will begin paving on September 8, 2020. He noted that DOLI is falling behind schedule, and a progress meeting was held on August 13, 2020, to review their schedule. Their plan to accelerate work is to allocate more crews to this project starting this winter. At this point, they have no concerns with meeting the substantial and final completion date. The completion date is August 31, 2021, and the completion date is October 31, 2021.

D. Update on the Development of the SC-2 B Lining Project Specs

Mr. Nolt provided an overview of the 2020 – 2021 SC-2 B Lining Project Scope using the <https://lowerpaxtonatwork.com> website, an online Story Map. He attended a national conference to get to know some manufacturers and then invited 11 manufacturers to perform product demonstrations using the Township's existing system. They chose six products, and those approved would be added to the project specifications. This process has expanded the bidding pool, and the staff worked with GHD to develop an estimate for the project.

Mr. Weaver commended Mr. Nolt for a job well done.

Mr. Blain noted that the Lining products had come a long way; 15 years ago, the products did not last as long. Even though the Authority is evaluating different Lining options, most of the projects Township wide is the traditional full replacement of sewer lines.

James Wetzel, Sewer Operations, provided an update on the BC-7 I&I project at the Meadowbrook Development. There are approximately 180 sewer laterals to replace, they have completed ten PVC building sewers, and three have failed.

E. Update on Four Seasons Private Sewer Investigation

Mr. Weaver provided an update on the Four Seasons Private Sewer Investigation. After evaluating the area, they discovered multiple utilities had been installed over top of the sewer line. This project is currently delayed unless GHD identifies the site as an I&I project under the Consent Decree. He informed the Four Seasons HOA President and Attorney that the Authority could not assist in any way.

Engineers Report

Kevin Shannon, GHD, was present to answer questions about the Engineers Report.

Mr. Blain commended Mr. Shannon for preparing a clear and concise report for the Board.

Stormwater Fund

Business

Resolution 20-10-01 – 20-10-46 – authorizing condemnation of temporary and permanent easements for stormwater conveyance improvements in the BC-7 and BC-8 project

Mr. Weaver presented Resolution 20-10-01 – 20-10-46, which authorize condemnation of temporary and permanent easements for stormwater conveyance improvements in the BC-7 and BC-8 project.

Mr. Zoumas made a motion to approve Resolution 20-10-01 – 20-10-46, which authorizes condemnation of temporary and permanent easements for stormwater conveyance improvements in the BC-7 and BC-8 project. Mr. Oakes seconded the motion. Mr. Blain called for a voice vote, and the vote was unanimous.

Review of the Draft 2021 Stormwater Fund Budget and Stormwater Fee Rate Alternatives

Mr. Weaver presented the 2020 Stormwater Fund Budget, highlighting the changes. The Stormwater Fee Rate is \$128.00 per Equivalent Residential Unit (ERU), and it will remain the same unless the Board indicates otherwise. The Stormwater Fund Revenues are \$3,905,258.00. Following the May meeting, staff revised the Rate Alternatives to reflect the lower annual expenses. The staff had revised the three (3) original stormwater fee rate alternatives to include the actual 2019 Audited Expenses and Revenues and the projected 2020 end of year cash reserves for the Board's consideration. The staff has also included a 4th and 5th option. The rate alternatives for 20 years have been extended to reflect increasing debt service payments over 20 years accurately. All the Alternatives except for Alternative #1 offer an option to accrue money over ten years and decrease debt.

The Authority has a surplus; therefore, a rate increase could be deferred for one year, and there would be no impact. The staff supports any of the Alternatives except for Alternative #1.

Mr. Weaver commended Tim Nolt for a job well done, noting that Mr. Nolt had created the 20-year rate table.

The Authority Board members discussed the Stormwater Rate options.

Mr. Blain noted that it is necessary to continue to build a reserve fund because of inflation.

Mr. Weaver offered to prepare the Authority Budget to include the Hybrid option and Alternative option #5 for the November meeting. The Authority Board members agreed to move forward with Alternative Option #5.

Mr. Weaver presented the Stormwater Budget Expenditures noting that having the 2019 Financial Audit complete helped to prepare the budget. The expenses for 2021 are \$2,308,133.00, and this amount includes the debt service from the recent Bond issue. The Capital Projects Expenditures for 2021 as part of the MS4 Program is \$5,507,550.00.

Presentation by HRG on the draft Stormwater Fee Credit Policy

Kevin Fox, HRG, presented the revised Stormwater Fee Credit Policy, which includes the Rain Barrel Rebate and the Adopt an Inlet Credit.

Mr. Weaver added that after speaking to several other local Township's the staff supports these credit policies. He asked for the Board's approval to present the final Policy to the public as part of a you-tube video posted on the web page. This information will be included in the sewer bill insert with the October billing directing residents to the web page to review the credit policy video.

The residents can send comments to the stormwater email account attormwater@lowerpaxton-pa.gov, comments received, and staff responses can then be reviewed with the Board at the November meeting before the final Credit Policy approval.

Action on the Stormwater Fee Appeal for 1641 Blue Mountain Parkway

Mr. Weaver presented a separate memo to the Board for an appeal that was denied; the Policy allows the customer to appeal my decision to the Board.

After additional research, the staff supports granting the appeal if the owner agrees to certify each year that the property is not occupied as a Residence or Boarding House.

Mr. Judd made a motion to approve the Stormwater Fee Appeal for 1641 Blue Mountain Parkway. Mr. Zoumas seconded the motion. Mr. Blain called for a voice vote, and a unanimous vote of approval followed.

Township Reports

Update on DEP MS4 Projects -Meeting with Municipal Partners on 8/19 and Review of Lower Paxton at Work Story Map

Mr. Weaver provided an update on the Township's MS4 projects. The staff met with Susquehanna Township, CRW, and DEP representatives so that HRG could give the group an update on the 5-year plan. HRG will be tracking the projects for the entire group. Next week, the group will meet with representatives of PennDOT regarding the five-year project.

Mr. Nolt presented the story map on the web site Lowerpaxton@work.com; he reviewed all the projects in progress for Stormwater Restoration projects.

Mr. Nolt recognized Robbie Byler, Graduate Student at Hood College, who completed his internship with the Authority; Mr. Byler created the Story Map. This story map is for Township residents to view current construction projects.

Mr. Judd commented that he is excited to see this information available to the community and hopes to highlight information in the Sewer Bills. Also, he would like to create a story map for the Sanitary Sewer projects.

Mr. Blain commended the staff on their progress with the new website, noting that anyone can go to the website Lowerpaxton@work.com to view current construction projects, and this information is updated in real-time. Mr. Nolt added that the Authority has a full-time GIS Technician who is assigned to keeping the website updated.

Mr. Zoumas suggested that the website is expanded to the degree that would assist residents in identifying a problem area.

Review of Private Stormwater Property Owner Complaints

Mr. Weaver provided an update on a complaint from Robert Brightbill regarding a stormwater issue on his property at the Lakeview Marina. The Authority is not able to assist Mr. Brightbill because it is private property. He noted that Bradley Gotshall, Township Manager, directed the Authority staff to catalog the stormwater complaints.

Township Reports

Status of the LPT MS4 General Permit

Mr. Weaver reported on the MS4 Draft Permit. The permit was issued by the PA DEP on July 22, 2020.

Ms. Lindsey asked Mr. Weaver if the Township had received credit for the stormwater work that has been completed. Mr. Weaver explained that the Township did not receive any credit for the stormwater work because it was just pipework, and there is no credit for this work in the MS4 permit. The Township would receive credit for the work done to improve the Chesapeake Bay and Paxton Creek TMDL.

Engineer's Report

Jason Hinz, HRG, was available via teleconference to answer questions about the Engineer's Report. There were none.

Announcements

Mr. Blain announced that the next Authority meeting is scheduled for Tuesday, November 24, 2020, beginning at 7:00 p.m. at the Municipal Center.

Adjournment

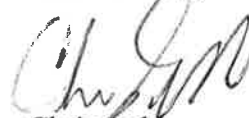
Mr. Zoumas motioned to adjourn the meeting, Mr. Blain seconded the motion, and the meeting adjourned at 8:58 p.m.

Respectfully submitted,



Shellie Smith
Recording Secretary

Approved by,



Chris Judd,
Secretary