

NORTHEASTERN YORK COUNTY SEWER AUTHORITY

August 26, 2013

The Northeastern York County Sewer Authority met on Monday, August 26, beginning at 7:00 PM in the Authority meeting room at 200 North Main Street in Mt. Wolf.

Authority members in attendance were:

Mt. Wolf Borough

George Miller

Manchester Borough

Clair Good
Gene Snell, Jr.

East Manchester Township

John Nace
Joel Klinedinst

Engineer

John Leen

Solicitor

Attorney Stacey MacNeal

Plant Superintendent

Tom Prowell

Recording Secretary

Pat Poet

Special Projects Coordinator

Tom Beakler

Visitors in attendance were Mr. & Mrs. Terry Kleiser and Peter Nestlerode.

Minutes

The minutes from the July 22, August 5 & August 12, 2013, meetings were approved as mailed.

Visitors/Correspondence

Kleisers – Mr. & Mrs. Kleiser, who reside at 69 South Main Street in Manchester, questioned if they could get some relief from paying two sewer bills. Currently they are running a beauty shop from their home, however, they are only open two days a week. Pat was instructed to obtain water usage for this property to determine the amount of water they are using and report back next month. Attorney MacNeal noted that when the beauty shop closes, they will need to contact the Authority to remove the 1 EDU used for the beauty shop. From that time on, they would only be charged for one sewer billing. The Kleisers also noted that there is another beauty shop on South Main Street that is run from a home, but is only paying one sewer bill. Pat was instructed to look into that situation.

East Manchester Township Letter – All Board members had received a copy of the letter from East Manchester Township to Manchester and Mount Wolf Boroughs, suggesting that they, along with the Township, look into the possibility of meeting with The York Water Company regarding purchasing and operating the Northeastern York County Sewer Authority.

Mt. Wolf Borough Letter – Attorney MacNeal shared a letter from the Mayor of Mt. Wolf Borough to East Manchester Township, informing them that Mt. Wolf Borough passed a motion that they are not in favor of selling the Sewer Authority to The York Water Company.

Operations Report

Sherman Oaks Repair – Tom Prowell reported that a seal needed replaced at the Sherman Oaks pump station.

Diffuser Socks – The original rubber socks that were installed at the new plant were defective. Aeromod replaced the 320 socks and personnel installed them, which took approximately three weeks. The installation is now complete and everything is running well.

Line Flushing/Televising – Personnel have returned to Mt. Wolf Borough to complete televising and flushing the lines. When Mt. Wolf is completed, personnel will move to Manchester Borough to do the same.

Orchard Park Pump Station – Repairs are now completed at this station.

Chestnut Valley Generator – Service was needed for this generator, which is run by gas. The problem was with the gas pressure, which needed to be adjusted.

Special Projects Report

Nutrient Credits – Tom Beakler reported that the available nutrient credits from the Mt. Wolf plant will be approximately the same number of pounds available for sale as last year – 30,000 pounds. The nutrient credit year ends September 30. Mercuria has sold 47,000 pounds through Penn Vest and an additional 120,000 pounds through private entities. It appears that DEP is going to allow Harrisburg to pass on the purchase of approximately 600,000 pounds of nutrients that they would have been required to purchase, because they are in bankruptcy. Scranton faces the same problem, and DEP may also give them a pass. Because of these actions, the nutrient credit prices may be much lower than last year because there will not be as high of a demand for them.

Authority Administration

E-Mail Bills – The newest update to the billing software allows customers to receive their bills by e-mail. Joel Klinedinst suggested finding out if the Authority could receive verification that the e-mails have been received by the customers. Pat will contact Diversified Technology to get an answer. She asked if the Authority members who receive bills would be willing to try the e-mail bills as a trial; but it would not happen until the December 1st billing since the next bills are scheduled to go out the end of this week. If the Authority decides to provide this to customers, suggestions as to how to get the word out are needed. At this time there is no room on the back of the bill to add additional notes.

Printer Problems – The current HP printer that is used to print bills is becoming difficult to use. The bills are jamming constantly and the only way to print them is through another tray on the printer, which will take four times as long to print. Pat contacted Diversified Technology to ask for suggestions of a good printer to use for billing. They suggested Kyocera printers. Joel Klinedinst suggested they look at leasing a printer to be certain it does the job well prior to purchasing it. Pat will obtain information on the copiers and report back to the Authority.

Bank Fees – Pat reported on a meeting held with representatives of Susquehanna Bank along with George Miller, Joel Klinedinst and Gene Snell. Ultimately what they wanted to talk about were fees they are going to charge municipal customers. The monthly costs will be between \$200.00 to \$300.00 per month depending upon the number of items processed. It appears that most banks have begun to pass these charges along to its municipal customers.

Solicitor's Report

Farm Sale Agreement – Attorney MacNeal provided signed copies of the farm sale agreement. She noted that at this time Sinking Springs is working with Manchester Township's Zoning Hearing Board and it looks as though there is potential to have the subdivisions completed by the end of this year.

Interest Rate – Gordon Walker contacted Attorney MacNeal about a decision that needs to be made regarding the \$1.6 million that is being refinanced. He suggests taking the three year fixed rate, which at this time is 1.072%. A Klinedinst/Miller motion was made to lock in the three year fixed rate for the \$1.6 million refinancing portion of the total financing. Motion passed unanimously.

Reimbursement Agreement – This agreement was drawn up by Rhoades & Sinon which states that if any one municipality had to pay on the guarantee, the Authority would be obligated to reimburse that municipality, including costs and attorney's fees. It also provides for reimbursement between the Municipalities. Attorney MacNeal noted the three municipalities have already passed this Resolution. A Good/Miller motion was made to adopt the Reimbursement Agreement, agreeing that the Authority will reimburse any costs and/or fees to the municipalities should they have to pay on their guarantees. Motion passed unanimously.

Arbitrage Resolution – The IRS requires municipal entities that borrow money cannot make a profit on the interest they receive from that invested money. Attorney MacNeal is recommending a Post Issuance Compliance Policy be put into place prior to the financing to address this issue. A policy has been prepared by Rhoads & Sinon. After reviewing the policy, a suggestion was made to change "Plant Superintendent" to "Authority Solicitor". A Nace/Klinedinst motion was made to adopt Arbitrage Resolution 2013-7. Motion passed unanimously.

Work Session – Attorney MacNeal reported on a work session held at the Township Office with representatives from the three municipalities to discuss the proposed financing. A representative from The York Water Company was there at Township Manager Dave Gentzler's request. Mr. Gentzler thought it may be a good idea to look into the possibility of selling the Sewer Authority to The York Water Company. The York Water Company representative explained all three municipalities would need to be on board with the idea before any further action or discussion could take place. This discussion resulted in the previously mentioned letters from East Manchester Township and Mount Wolf Borough. Mr. Klinedinst suggested that the Authority notify the Township that if the Township wants to pursue an investigation, the Authority does not have funds budgeted for the costs of that investigation.

FEMA/PEMA Reimbursements – Four of the five original FEMA/PEMA projects should be closed out soon. The one remaining is the large project near Wago Road. The scope of this project changed because of DEP requirements and the costs increased due to Norfolk Southern requirements. Over one year ago, Tom Beakler submitted a “Change of Scope” request to PEMA for this project. At the end of July, FEMA made a decision to deny the “Change of Scope”. Attorney MacNeal noted there is an administrative appeal process that she recommends the Authority utilize. She noted there are several errors in FEMA’s explanation and she feels if appropriate documentation is provided to them, that there is a very good chance they will change their decision. Tom Beakler has already provided Attorney MacNeal with documentations he has and John Leen is gathering information to provide to her by the end of this week. The appeal must be filed by September 19th. Attorney MacNeal has no idea how long this appeal process could take.

A Nace/Klinedinst motion was made to authorize Attorney MacNeal to file an administrative appeal on behalf of the Authority as a result of the FEMA decision to deny the “Change of Scope” for the Wago Road project. Motion passed unanimously.

John Leen noted there may be funds available through York County and DCED for projects that were not fully reimbursed by PEMA/FEMA.

Engineer’s Report

Gross Sketch Plan – John Leen explained this building will be at least one million square feet and will generate approximately 5,200 gallons per day. John recommended the flow should go from the East side of this building to a manhole on Bartlett Drive, which will enable the flow to pass through only one pump station, the Orchard Park Station, as opposed to passing through both the Canal Road and Orchard Park Stations.

PMAA Conference – John attended this conference. Discussions were held regarding nutrient trading credits. They were told the EPA can’t do anything about the ag lands situation and DEP is hedging to do anything about them. John feels if no steps are taken with regard to the ag lands, DEP and EPA will again return to the WWTP’s and put additional restrictions on them. A law has been passed that an Authority can assume responsibility of storm sewers.

Treasurer’s Report

Invoices – A Miller/Good motion was made to approve the invoices as submitted. Motion passed unanimously.

No requisitions.

Adjourn

At 8:08 PM a Good/Miller motion was made to adjourn. Motion passed unanimously.

REGULAR MEETING - Monday, September 23 - 7:00 PM - 200 North Main Street

