

EAST PENNSBORO AUTHORITY
OCTOBER 17, 2019

Regular Meeting

6:30 p.m.

A Regular Meeting of the East Pennsboro Authority was held on Thursday, October 17, 2019, at 6:30 p.m. at the Community and Municipal Center, 98 S. Enola Drive, Enola, Pennsylvania.

Those present were: Commissioners George Tyson and Kristy Magaro, Dr. Glenn Zehner, and Randy Martin, members of the Authority; Lisa M. Coyne, Esquire, Solicitor; John Pietropaoli, Township Manager; Jared Hockenberry, Township Engineer; Ed Myers, WWTP; and Robert Coyne, Coyne & Coyne, P.C.

I. CALL TO ORDER

The meeting was called to order at 6:30 p.m. by Chairman Tyson. A moment of silent meditation was observed, followed by the Pledge of Allegiance to the Flag.

II. PUBLIC COMMENT

There was no public comment.

III. APPROVAL OF MINUTES

MOTION approving the minutes of September 19, 2019, as corrected, was made by Dr. Zehner, seconded by Mr. Martin, and was carried by a unanimous aye vote.

IV. DIRECTOR OF PUBLIC WORKS REPORT

Mr. Hockenberry informed the Authority that the PennVest loan was awarded this week in the amount requested, \$500,000.00, at a very low interest rate. They hope to close on the loan in 30 to 60 days.

He introduced Mr. Tony Dill and Mr. Tom Wilson, representatives from ARCADIS, the Authority's consultants, to provide an update and review items the Authority needs to consider going forward.

Mr. Dill and Mr. Wilson reviewed their presentation explaining the ERU calculations they arrived at to determine the amount of impervious area for each property in the township in order to help establish a fair fee. Mr. Dill noted the majority of the budget over five years is operations and maintenance, including maintaining, upgrading and rehabilitating some very old pipes. The budget also includes a portion of labor costs of township employees to support the program, as well as costs for equipment and vehicles, including both annual maintenance and fuel costs, as well as additional equipment that will need to be purchased for the project over the next five years.

Key assumptions built into the proposed budget analysis is that there is a 95-percent collection rate, a 3-percent inflation rate, about \$1.5 million budget over that time period for Chesapeake Bay pollution reduction plan projects, and a 2-percent annual rate of sewer system rehab or replacement, which is a 50-year cycle to get through all the buried pipes in the stormwater system and either rehabilitate or replace them. That will start in year 2021. There is no separate fund allotted specifically for storm sewer works. That will have to come out of that 2 percent.

Mr. Dill and Mr. Wilson reviewed the process by which they arrived at ERU calculations of 3,430.1 ERU. By comparison, Hampden Township is 3,534, and Lower Allen Township is 3,114. They noted a credit program will be established for properties that have a stormwater retention pond or green roof or some stormwater management practices on the property whereby they can apply for a credit to the township and receive a discount on their bill. Commercial properties will get a custom bill for the amount of impervious areas that are digitized.

They reviewed different rate structures for residential properties and which would work best for East Pennsboro Township. Assuming no growth in the next five

East Pennsboro Authority

October 17, 2019

Page 3

years, because there is not a lot of area for the township to have developments in the next five years, a rate and cash flow projection of \$25 per ERU per quarter would generate \$1,494,305.

In order to reduce the per quarter fee amount, the Authority considered eliminating the residential credit program. ARCADIS noted a lot of municipalities do not have a residential credit program, just a commercial program. The effort to administer a residential program for the amount of credits does not make sense financially or logistically.

Mr. Dill noted once the Authority decides on a flat or tiered rate structure, they will finalize the budget based on that structure, and then they will prepare a memorandum outlining the rate structure. They will put together a FAQ sheet and PowerPoint for the public, and then prepare a credit policy and finalize the billing database.

They explained that most municipalities like to pick a rate assuring no increase for possibly five years, so the fee is structured to budget for that. Mr. Pietropaoli noted a flat residential rate is the easiest to manage and explain. Chairman Tyson further noted discrepancies between the recorded deeds and the mapping programs would anticipate a lot of appeals, which would add to the costs.

Chairman Tyson stated he would like to get cost per residential owner as low as possible. Further, some of the equipment purchases could be integrated with the township budget, to shave down the residential rate. Dr. Zehner agreed with a flat fee for residential, from a management perspective, but also agreed \$25 seemed high. The Authority members concurred that the rate should be held for five years.

The consensus of the Authority was to utilize a flat versus a tiered fee structure. Mr. Hockenberry stated staff will look at the costs in their expense budget to see if the quarterly rate can be lowered.

There was a discussion about commercial properties and Norfolk Southern. Mr. Hockenberry discussed a possible stakeholder meeting for commercial properties and Norfolk Southern.

Mr. Martin noted a meeting with Norfolk Southern will have to be held before they can decide on the ERUs, especially if they will be going after a 50-percent credit, as they get in Swatara Township, since that will skew the current calculations. Mr. Wilson noted the remaining commercial properties will also actively pursue credits, but he does not believe their credits will be as great, considering the costs they will have to expend in order to receive a credit. They will have to inspect the detention basins and rain gardens quarterly, which will entail having a professional engineer submit the inspection reports. The costs most often will outweigh the credit.

The consensus was to meet with Norfolk Southern separately before a general stakeholder meeting on October 29.

Ms. Coyne noted an analysis of the cost in increase of property tax millage to pay for this program versus this ERU fee per property would be interesting for stakeholders to see.

Chairman Tyson asked staff to provide recommendations on what credits would be eligible for commercial properties and the percentage of credit that would be determined for doing those items.

Mr. Pietropaoli asked ARCADIS to provide estimates of how tight the policy would have to be if commercial

credits would be capped at 20 percent. Mr. Dill noted Norfolk Southern will be a large factor, and their credit cap will be different. He asked if the township could provide an accounting of commercial properties outside of Norfolk Southern who might have infrastructure in place to apply for credits to get an estimate of what percentage of a cap is feasible, considering the reporting requirement may negate credit application in some cases. Chairman Tyson noted they would have to demonstrate through engineering that they have reduced BMPs by a certain amount to get the credit.

V. SOLICITOR'S REPORT

Ms. Coyne stated at some point there will have to be a transfer of assets to the Authority, and she will be working with staff and the Township Manager to document which assets will be transferred, at least with the stormwater sewer system, by way of resolution. She will also work with the Board of Commissioners on their part. The Board of Commissioners has to agree to convey assets, which the Authority has to agree to accept, and then develop an operation agreement with the township.

VI. NEW BUSINESS

MOTION to offer support for the Center for Watershed Protection's University Run Stream Restoration Project, which will restore approximately 1,500 feet of Boyer Run and University Run, to be submitted to the Pennsylvania Local Government Implementation Grant Program administered by the National Fish and Wildlife Foundation, was made by Dr. Zehner, seconded by Ms. Magaro, and was carried by a unanimous aye vote.

MOTION to adjourn the meeting at 8:15 p.m., was made by Ms. Magaro, seconded by Dr. Zehner, and was carried by a unanimous aye vote.