

WEST HANOVER TOWNSHIP AUTHORITY
MEETING MINUTES
October 7th, 2020 @ 6:30 p.m. started 6:35 p.m.

1. CALL TO ORDER: Chairman

2. ROLL CALL: Mr. Fowler, Mr. Steinmeier and Mr. Shradley in attendance, quorum present

3. APPROVAL OF THE MINUTES:

a. Regular Meeting Minutes of September 2nd, 2020 –

Motion: Approval of minutes from 9/2/20 Authority meeting.

Moved by Mr. Steinmeier and seconded by Mr. Shradley, the motion passed unanimously

4. CORRESPONDANCE: None

5. ANNOUNCEMENTS:

a. Mr. Fowler reminded Credit applications must be approved by the Authority no later than the December 2, 2020 meeting to be included in the 2021 stormwater billing.

b. Mr. Fowler presented Dauphin County rolling out their Regional Stormwater Program and we are examining the financial feasibility of West Hanover Authority's participation. They offer 3 levels of participation. Mr. Fowler believes West Hanover falls into levels 1 or maybe 2 at this time. Estimated cost for the middle level is approximately \$22,000, we have budgeted \$25,000 to be safe. They will be looking for a commitment from West Hanover by the end of the year. They do offer services that Mr. Fowler believes we may benefit from.

6. PUBLIC COMMENT:

Richard Enck -7112 Hillside Road

Mr. Enck was looking for clarification on who makes the decision (HRG, West Hanover?) in determining the non-urbanized credit area.

Mr. Fowler stated that the census bureau made the decision on what is the non-urbanized area. The Authority suggested that property owners be able to obtain that information by looking up their parcel map. The Authority has asked Light Heigel for a proposal to amend that map. In addition to giving you the amount of your impervious area and # of ERUs, it would also indicate whether you fall into the urbanized or non-

urbanized area. You can go on that map and it will tell you if you qualify for the automatic credit in 2021.

Mr. Enck asked when is that available?

Mr. Fowler hopes it will be ready in the next 30 days but will be by the end of the year.

Mike Kresier – 483 Hershey Road

Mr. Kresier mentioned the PMAA (Pennsylvania Municipal Authorities Association) hosted webinar on stormwater management, asked if the authority is a member.

Mr. Fowler responded that he attended the webinar and we are looking into becoming a member.

Mr. Kreiser mentioned in the September meeting and wanted to continue to express his concern on using HRG for the rate study. Mr. Kreiser realizes the decision made is deemed by the authority, he just wants us to be aware of all the facts not just what HRG presents.

Mr. Fowler thanked Mr. Kreiser for his comments. Mr. Fowler responded about the several other municipalities using flat fees for residential they ended up calculating the average ERU to come up with their flat fee. That should be covered in the rate study by HRG, which will give us the pros and cons of each method and then it will be up to the authority to determine which billing method to use. We are not asking HRG which billing method they recommend but rather than just providing the information needed for the Authority to make the decision. If we stay with the current billing method, they will give us recommendations on how to improve it.

Mike Kreiser stated he was pleased with the Authority using HRG over Light Heigel.

Mr. Steinmeier made a comment about other townships not offering a credit program and low fees and the issues that come along with that. He believes if you just have the flat fee and no credit program you are defeating the purpose of it all. Federal and State governments are looking for property improvements by the resident. He believes Lower Paxton does not have a credit program but may establish one.

Mr. Fowler responded Mr. Steinmeier was correct, they were a year and a half late with the credit program possibly because of concern over a legal challenge of instituting a stormwater fee without offering credits. The credits provide the ability of people to mitigate their fee by controlling their stormwater.

Mr. Steinmeier stated about municipalities adopting a credit program are probably increasing rates because they can't have a low fee with a high percent credit program. That would affect the budget and change the flat rate fee structure.

Mr. Fowler replied we will discuss that later the agenda.

Dennis Kalbarczyk – 910 Piketown Road

General comments to consider while going through the agenda: tonight's agenda is an improvement over previous agendas, would like to know more about what the Authority has spent to date. Kalbarczyk's concern is was the timeline for residents to be able to review the budget. Old business – concern with user rates related to rate studies using densities, equivalent hydraulic load, development factors, etc.

Mr. Fowler responded that Alexis will be preparing a monthly budget on the authority's cost. Currently, bills are being paid by the Township and then will be reimbursed by the Township. Covid has pushed back the process. Bills that have been paid are ones that were sent to the Authority directly.

Mr. Kalbarczyk appreciated the information and wants to make sure the money is being appropriately spent.

Mr. Fowler agreed. He then asked Kalbarczyk to review the RFP in regards to the rate studies.

Mr. Kalbarczyk asked to have items added to the website.

Mr. Fowler asked Alexis to add items to the website.

Alexis said she will add items to the website when available.

Mr. Fowler states once the expenditure budget is approved, Revenue side will be reviewed over 3 separate meetings. Public will have ample time to comment on information provided by HRG. Asked for further questions. No more questions, moving on.

7. PRESENTATIONS, STAFF & BOARD REPORTS:

a. Administration

- i. Mr. Fowler would like the Board to get a briefing from the Township on its obligations in administering the Township's Stormwater Ordinance and what we can look forward to.

b. Public Works none

c. Finance

i. 2021 Expenditure Budget Approval

- 1 Mr. Fowler - Proposed total budgeted expenditures of \$925,850 versus \$1,033,866 in 2020. Rosario originally proposed 2021 budget \$1.4 Million from the August workshop
- 2 Mr. Fowler - Current SW rates are not sufficient to achieve a balanced budget. Taking first step by agreeing to expenditures
- 3 Mr. Fowler- MS4 Permit requires this Authority to fully fund its budgeted expenditures – Fowler stated we don't have a surplus of funds to cover any deficit ourselves and cannot operate in a deficit. The next 3 meetings will include discussions on how to fund the proposed \$925k in expenditures.
- 4 Mr. Fowler - Primary reasons for the deficit are cost of stormwater credits to property owners granted by Authority and were not included in the 2020 budget. Non-urbanized credit cost is estimated at \$75,000 and will be refined by HRG during the rate study. \$330,000 of the budgeted expenditures are engineering fees, 2/3 of which have to be initiated by the Authority. Those services could be done by other engineers, not specifically HRG. Only about \$100,000 is contractually required to be done by HRG. Two of the HRG contracts are with the Township, one contract is with the Authority. The cost of the Authority contract for 2021 is estimated at \$55,000.

Mr. Fowler – the Board has had a chance to review the expenditure budget. The Contingency has been lowered to 7%. Excluding the contingency, the budget would be \$865,000. With the contingency, it is at \$925,850. There are items that we could possibly defer later if needed. \$100,000 for infrastructure repair costs like the public works 8 emergency projects approved for this year. \$100,000 approved for the Lakeside MS4 BMP to be done by the Township's public works department. Two more BMPs are required to be completed by the end of 2022. We are proposing to design those two projects in 2021. Mr. Fowler referenced the PMAA webinar he attended and learned that the DEP may extend the current permit term because of Covid. That is not definite so it was not factored into the budget. Mr. Fowler asked board members if they had any questions regarding the budget?

Mr. Steinmeier asked when it comes to engineers and legal, should they be coming to Authority meetings? They are very expensive. We should be looking at the agenda to determine if a lawyer or engineer is necessary at the meeting.

Mr. Fowler agreed. For today's meeting, the engineer & lawyer were not deemed necessary, so they are not in attendance.

Mr. Steinmeier then asked about equipment cost sharing with the Township. Does it make more sense to rent from the Township? Is the high-priced equipment necessary to be available all the time?

Mr. Fowler acknowledged Mr. Steinmeier's comment. Covid has pushed everything back. Maybe next year we can have Alexis do a cost benefit analysis on lease cost sharing vs. renting on projects.

Mr. Fowler asked Mr. Shradley if he has any comments.

Mr. Shradley had none. Mr. Steinmeier also had no other comments.

Mr. Fowler stated the Authorities Act does not have specific requirements about having a budget or posting budget information, however the Township does have specific requirements. There are also no restrictions on how many times our expenditure budget can be amended. This gives us a lot of flexibility if needed.

Mr. Fowler asked the Board if they had any further questions on the budget and for a motion to approve the budget. The budget needs to be submitted to the Township for approval at their October meeting.

Motion: Approval of the 2021 Expenditure Budget in the total amount of \$925,850 as presented at this meeting.

Moved by Mr. Shradley, seconded by Mr. Steinmeier, the motion passed unanimously.

ii. Approval of Invoices:

1 Mr. Fowler -WHT Reimbursement of Sage Invoice - \$1,057.88

a. Mr. Fowler asked Alexis to confirm what the Sage invoice is for. Alexis responded it was for her user access for the billing system

Mr. Fowler mentioned the board was briefed on earlier in the year, the expenses of bringing on an administrative assistant. There being no questions.

Motion: Approval of the invoice from the Township in the amount of \$1,057.88 relating to work performed by Sage.

Moved by Mr. Steinmeier, seconded by Mr. Shradley, the motion passed unanimously.

- 2 HRG Invoices:
 - a. Invoice dated 8/19/20 - \$15,273.20
 - b. Invoice dated 9/22/20 - \$11,173.38

Mr. Fowler noted this item includes 4 separate invoices. The Board has received copies of invoices, covering a wide range of activities (credit apps, appeals, etc.). There being no questions.

Motion: Approval of the four HRG invoices in the total amount of \$29,166.08.

Moved by Mr. Steinmeier, seconded by Mr. Shradley, the motion passed unanimously.

8. OLD BUSINESS:

- a. Direction to HRG on Rate Study:

- i. Definition of Single Family for Flat Fee Option

Mr. Fowler –Townships / authorities are different on how they define single family. We need input from all authority members to decide how we want to define single family for the flat fee.

Mr. Steinmeier later mentioned that other townships have eliminated townhouses, mobile homes, etc. as single family when they were included in our flat rate option.

Mr. Fowler agreed and said the effects of that will impact the residents that are only paying the \$26 or \$52. That's why it's important to focus on the definition of single family.

- ii. Amount of the Cap

Mr. Fowler stated we would need to see if the cap would withstand a legal challenge. If we get past that point, what cap would we propose? Is 3 ERUs appropriate? The other Board members agreed we should hold off until we get input from the remaining Board members.

- iii. Should "Flat Fee" or "Capped" property owners be eligible for credits

Mr. Fowler questioned if the residents who get the flat or capped fee should be eligible for the various credits that are offered. Lee Stinnett will have to investigate that. Credits do have to be offered in the rate structure.

Mr. Shradley commented he thinks that question should go to our solicitor.

Mr. Fowler responded he agrees that will be looked at by the solicitor first then the Board after that.

Mr. Fowler asked the Board members to think about what their position would be if there is a flat or capped fee, should residents also be able to get a credit in addition?

The Authority will talk to Lee and have him investigate it.

Mr. Fowler raised another item not on the agenda. At the last meeting, the Board approved HRG's retainer agreement to provide certain services, subject to some changes being made. They have submitted a new retainer agreement and have made all the changes but one. The one item they did not agree to was charging us a 1.5% late fee for invoices. Mr. Fowler was reluctant to sign the agreement without Board approval. One comment was they tend not to enforce the late fee with municipal clients. Mr. Fowler noted we are almost 60 days late on paying the July invoice and they are not charging us a late fee. The latest we should be is 30-45 days.

Mr. Shradley agrees regarding signing the agreement as it is. If we find they suddenly charge the late fees, then we give them a termination notification and move on if needed.

Mr. Fowler confirmed that we have a 15-day termination provision and agreed that if we are start receiving late fees we can terminate.

Mr. Fowler asked if Mr. Steinmeier was okay with that and Mr. Steinmeier stated he agreed.

Mr. Fowler asked the other board members if they had any additional items to bring up under old business. None did.

9. NEW BUSINESS:

- a. **Credit Applications:** Mr. Fowler indicated there were no adjustment appeals. There are three credit applications, all recommended for approval by HRG.

1. William Kotsalo: 7510 Allentown Blvd. C-71

Recommendation: approval for water quality storm, peak flow attenuation credits – that is our first peak flow attenuation credit approved by the authority.

2. Nicholas Simone: 1620 Blacksmith Lane C-91

Recommendation: approval for low impact credit

3. Dennis Kalbarczyk: 910 Piketown Rd. C-92

Recommendation: approval for low impact credit

Motion: Approval of credit application numbers C-71, C-91 and C-92 as recommended by HRG.

Moved by Mr. Shradley, seconded by Mr. Steinmeier, the motion passed unanimously

10. ANY OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:

Mr. Fowler stated the Board has a policy that agenda items need to be submitted 2 weeks before the meeting to be placed on the agenda. Mr. Fowler thinks that is too restrictive and it has not been followed. We would like to amend that policy and have agenda items need to be submitted by end of business on the Thursday before Authority meeting.

Mr. Fowler stated since we are 2 board members short for this meeting, he recommends deferring this item to the next meeting. The Board agreed.

Mr. Fowler then reminded everyone that Gloria Zimmerman was not able to attend tonight's meeting due to a family emergency.

11. PUBLIC COMMENT:

Dennis Kalbarczyk – 910 Piketown Road

Regarding the budget based off his experience on authorities, we need to justify rate increases and that they are reasonable. Without a budget to back that up, residents will oppose and ultimately the authority can end up paying a lot with attorney fees. Kalbarczyk also states set rates do not have to be precise but must be reasonable, you can also make considerations that impact the customers in the area. With the stormwater fee revenue not enough, he asked what that estimated 2021 revenue was?

Mr. Fowler responded he believes we are under the required amount by approximately \$300,000. Two thirds is due to the delinquency rate on collections, one third is due to the cost of credits. If it was just delinquency, we'd be about \$200,000 short. One of the reasons we are pushing decision on the revenue side back is to hope our collection rate improves over the next 2 months.

Mr. Kalbarczyk responded he understood. Mr. Kalbarczyk encourages the Board to be as open as possible and publish as much as possible, which helps gain trust and acceptance in how you develop your rates. He asked if we were going to post our budget on the website after this approval.

Mr. Fowler asked Alexis if we can post the budget. Alexis said we can post it when available.

Kalbarczyk said he had no further questions or comments.

Mike Kreiser – 483 Hershey Road

Commenting on Mr. Steinmeier's comment regarding credits. Believes most municipalities limit to allow low credits. In West Hanover, less than 2.5% single family residences have applied for credits. He doesn't believe the credits are a big factor in considering a flat fee. Mr. Kreiser questions why the Township expects to be reimbursed \$100,000 from the Authority when it was a part of the 2020 budget and the taxpayers have been paying for stormwater management.

Mr. Fowler thanked Mr. Kreiser for his comments. Fowler's understanding of the \$100,000+ was a revenue anticipation loan that the Township made to the Authority to advance money to pay costs until they receive fee income. They required it to be paid back by the end of the year. That's why it doesn't show up in our budget, its budget neutral, it was an advance. Mr. Fowler is not familiar with the Township's budget and if it had any impact on that being outstanding.

Mr. Steinmeier stated, "I'll say!"

Mr. Kreiser stated he looked at the Township budget and it showed stormwater expenses with no offsetting income other than taxes. The residents not getting a break on our property taxes for stormwater fees now that the Township isn't paying them when they previously did. Mr. Kreiser said he will let that go for now.

Mr. Fowler joked, "save that for the Supervisor's next week".

Mr. Kreiser said the Board of Supervisors will not answer any questions regarding stormwater. They will defer him back to the authority.

Mr. Fowler asked Mr. Kreiser if he had any other questions. He had none.

Richard Enck -7112 Hillside Road

Mr. Enck commented on credits for stormwater, the original budget had \$18,000 for credits in it. Regarding the transfer of money, Mr. Enck claims Mr. Rosario said the money did not make the transfer and it stayed in the bank account.

Mr. Fowler responded the Township never gave us the \$117,000, they have been paying invoices related to the stormwater and deducting it internally. It has not asked to be reimbursed yet. By the end of the year they will be asking for reimbursed, which is more than \$117k at this point.

Mr. Eck then asked about the delinquency and if we knew what area of the Township most are located it.

Mr. Fowler went over reasons why some residents may not pay the bill but no matter the reason, that burden gets passed on to those that do pay it. We have requested Keystone to get a breakdown of the number and dollar amount of delinquencies. Right now, we just have the number of accounts that are delinquent. We don't have all the information right now.

Mr. Enck asked when the next workshop is.

Mr. Fowler stated it was October 21st at 6 pm to discuss revenue budget and review first draft of HRG's rate study. He thanked Mr. Enck for his comments.

Corinne ?? (no last name or address given)
Asked about rain barrel workshop this fall?

Mr. Fowler was not sure, it is dictated by the County and did not know if it was canceled because of Covid. He asked Alexis if she had heard anything more? Alexis stated she did not and speaking with Janet earlier in the week about it, she also has not heard anything either.

Mr. Fowler asked Alexis if she can find out about the rain barrel workshop and if that can be posted to the website.

Alexis responded she would call their contact at the County.

Mr. Shradley suggested also emailing the list of clients that are interested with any information Alexis can find out.

Mr. Shradley would like to know as well!

Mr. Fowler asked if anyone else from the public has comments.

There were no other comments.

12. BOARD MEMBER COMMENTS:

- a. Max Shradley – received comments from neighbors about the Public Works department doing a great job street sweeping and cleaning. Thanks, them for a great job!
- b. Don Steinmeier – wonders if they can get budgets from smaller townships / authorities with the flat fee? How do they compare?

Mr. Fowler mentioned other townships have different commercial impervious areas that they can offload. It's hard to compare because everyone has

differences open spaces, larger lots, etc. Mr. Fowler tried to research but couldn't get a detailed breakdown from the townships.

Mr. Steinmeier has reached out to state and government officials for grant money and help but doesn't hear anything

- c. Robert Fowler – reminded the public of the upcoming meetings.

13. ADJOURNMENT

Motion: To adjourn the meeting.

Moved by Mr. Shradley, seconded by Mr. Steinmeier, the motion passed unanimously.

Meeting adjourned at 8:08 pm.

Mr. Fowler thanked everyone for attending.

*****Authority Revenue Budget Workshop on October 21, 2020 @ 6:00 pm*****

****Next Regular Authority Board Meeting on November 4, 2020 @ 6:30 pm*****