

**MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
November 22, 2016**

The November Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on November 22, 2016 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: Hugh Rooney, Chairperson; Barry Ludwig, Vice Chairperson; David Myers, Secretary; Keith Seward, Treasurer; and Anthony Perrotto, Assistant Secretary/Assistant Treasurer. Also in attendance were Nicholas T. Yingst, Township Administrator and Authority Clerk; Keith Heck, Laboratory Technician of the Wastewater Treatment Plant (WWTP); Corey Lamoureux and Timothy D. Sheffey, Office of the Township Solicitor; Shawn Curtin and Donald Santostefano, Lebanon Valley College; and Timothy J. Horstmann, McNees Wallace & Nurick LLC.

Chairperson Rooney called the meeting to order and led those present in the Pledge of Allegiance to the flag of the United States of America.

TEFRA HEARING FOR TOWNSHIP AUTHORITY ACTING AS A CONDUIT FOR TAX-EXEMPT FINANCING: It was noted that, in accordance with the law, a TEFRA Hearing had been scheduled for 5:30 PM regarding the Township Authority acting as a conduit for tax-exempt financing for borrowing being done by Lebanon Valley College (LVC) and Timothy J. Horstmann asked to address the Township Authority on behalf of LVC. He noted he was serving as bond counsel for financing in the amount of \$22,000,000 that was being sought by the college for the construction of the Jeanne and Edward H. Arnold Health Professions Pavilion. Mr. Horstmann then presented and explained a proposed resolution for the Authority's consideration if it should wish to act as a tax-exempt conduit for LVC's financing, noting that in addition to the Authority's approval the approval of the Annville Township Board of Commissioners would be needed. Chairperson Rooney provided an opportunity for comments or questions and none were noted. Mr. Sheffey indicated he had reviewed the resolution and noted his satisfaction with its content and expressed that he had no reservations about the Authority adopting the resolution. With no further discussion noted, **MOTION** by Mr. Perrotto, second by Mr. Ludwig to close the TEFRA Hearing. Motion carried unanimously and the TEFRA Hearing was closed and the Regular Meeting was resumed at 5:36 PM.

RESOLUTION NO. 20161122-001 – ACTING AS A CONDUIT FOR TAX-EXEMPT FINANCING FOR LEBANON VALLEY COLLEGE: **MOTION** by Chairperson Rooney, second by Mr. Seward to adopt Resolution 20161122-001 as presented and to authorize the Authority, through the execution of necessary documents by its officers, to act as a conduit for tax-exempt financing for Lebanon Valley College in accordance with the adopted resolution and subject to the approval of the Board of Commissioners. Motion carried unanimously and a copy of this resolution is attached hereto and made a part of these minutes. Mr. Sheffey, Mr. Curtin, Mr. Santostefano, and Mr. Horstmann then left the Regular Meeting at 5:37 PM.

PUBLIC COMMENT: Chairperson Rooney provided an opportunity for public comment and no comments were noted from those in attendance:

MINUTES: **MOTION** by Mr. Perrotto, second by Mr. Myers to approve the minutes of the Regular Meeting held October 25, 2016 as presented. Motion carried unanimously.

ANNVILLE TOWNSHIP AUTHORITY

RESOLUTION 20161122-001

Adopted: November 22, 2016

APPROVING THE UNDERTAKING BY THIS AUTHORITY OF A CERTAIN 2016 PROJECT REFERRED TO HEREIN FOR THE BENEFIT OF LEBANON VALLEY COLLEGE (THE "COLLEGE"), AND AUTHORIZING AND DIRECTING THE ISSUANCE OF COLLEGE REVENUE BONDS (THE "BONDS") TO FINANCE SUCH 2016 PROJECT; APPROVING AND ACCEPTING THE COMMITMENT LETTER OF FIRST NATIONAL BANK OF PENNSYLVANIA (THE "BANK") FOR THE PURCHASE OF THE BONDS; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS BETWEEN THIS AUTHORITY AND THE COLLEGE; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF, THE AUTHORITY'S ASSIGNMENT TO THE BANK OF SAID LOAN AGREEMENTS; APPROVING THE FORM OF CERTAIN SECURITY INSTRUMENTS AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF THE SAME; STATING THE SECURITY FOR THE BONDS DESCRIBED HEREIN; SETTING FORTH THE TERMS OF THE BONDS AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY THEREOF; APPROVING THE FORM OF, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF, A CERTAIN INTERCREDITOR AGREEMENT; PROVIDING FOR THE DISPOSITION OF BOND PROCEEDS; APPROVING THE UNDERTAKING BY THIS AUTHORITY OF A CERTAIN COLLEGE NOTE MODIFICATION; APPROVING CERTAIN RATE MODIFICATION INSTRUMENTS, AS DESCRIBED HEREIN; AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY THEREOF AND RATIFYING AND CONFIRMING PROVISIONS OF CERTAIN EXISTING AGREEMENTS AND EXISTING NOTES; AUTHORIZING INCIDENTAL ACTION; AND RESCINDING INCONSISTENT RESOLUTIONS.

WHEREAS, the Annville Township Authority (the "Authority") is a body corporate and politic organized and existing under the Pennsylvania Municipality Authorities Act, 53 Pa. Cons. Stat. §§ 5601-5622 (2005) (the "Act"); and

WHEREAS, Lebanon Valley College (the "College"), a Pennsylvania nonprofit corporation, has represented to the Authority that it is an eligible educational institution as defined in the Act and is not a theological seminary or school of theology or a sectarian and denominational institution; and

WHEREAS, the College has requested the Authority to assist in the financing of a project for the College (the "2016 Project"), consisting of (i) the design, construction, furnishing and equipping of the Jeanne and Edward H. Arnold Health Professions Pavilion for the benefit of the

College; and (ii) the payment of the costs of issuing the tax-exempt bonds for the foregoing purposes; and

WHEREAS, the College has presented to the Authority a plan of financing for the 2016 Project (the "Plan of Finance") that contemplates the issuance by the Authority of one or more tax-exempt bonds or notes, payable solely and exclusively from the income and revenues derived by the Authority from its financing of the 2016 Project, in the maximum aggregate principal amount of \$22,000,000 (collectively, the "2016 Bonds") and the lending of the proceeds of the 2016 Bonds by the Authority to the College for use by the College for financing the 2016 Project, and without recourse for payment of the same against any other moneys, accounts, rights, or other assets of the Authority or against any officer, board member, employee, or agent, past, present or future of the Authority; and

WHEREAS, all costs of the 2016 Project not financed by the issuance of the 2016 Bonds shall be funded by the College with other moneys or sources of financing available to the College for such purpose, without recourse for payment of the same against the Authority or any officer, board member, employee, or agent, past, present or future, or against any other moneys, accounts, rights or other assets of the Authority; and

WHEREAS, the College has requested the Authority to approve the Plan of Finance for the 2016 Project and to agree to finance the 2016 Project through the issuance of its tax-exempt 2016 Bonds in a maximum aggregate amount not exceeding \$22,000,000 and to lend the proceeds of such 2016 Bonds to the College; and

WHEREAS, the Authority intends to finance the 2016 Project by the issuance under the Act of the 2016 Bonds payable solely and exclusively from the income and revenues derived by the Authority from its financing of the 2016 Project; and

WHEREAS, in connection with the 2016 Project, the Authority will enter into one or more Loan Agreements (collectively, the "Loan Agreement") between the Authority and the College, pursuant to which the Authority will loan the proceeds of the 2016 Bonds to the College to pay the costs of the 2016 Project; and

WHEREAS, pursuant to the Loan Agreement, the College will make periodic loan payments to the Authority in amounts sufficient to pay, inter alia, the debt service on the 2016 Bonds; and

WHEREAS, as security for the payment of the principal of, and interest on, the 2016 Bonds, the Authority will assign to First National Bank of Pennsylvania, as lender (the "Bank") all of its right, title and interest in and to the Loan Agreement and all amounts payable thereunder (with certain exclusions as set forth in the Loan Agreement) pursuant to one or more assignments (collectively, the "Assignment") between the Authority and the Bank; and

WHEREAS, as security for the repayment of the loan and its other obligations under the Loan Agreement, the College shall execute and deliver to the Bank such security documents as the Bank may require (collectively, the "Security Documents"); and

WHEREAS, it will be necessary for the College and the Authority (with or without the Bank) to enter into certain agreements and undertakings relative to the tax-exempt status of the 2016 Bonds pursuant to certain tax certificates and agreements (the "Tax Agreements"); and

WHEREAS, the Bank has issued or will issue one or more commitments to the College (collectively, the "2016 Commitment") to purchase the 2016 Bonds, copies of which shall be a part of the Authority's records; and

WHEREAS, in addition to the undertaking of the 2016 Project, the College desires to amend certain provisions of the Annville Township Authority College Revenue Note (Lebanon Valley College Project), Series of 2008 (the "2008 College Note"), previously issued by the Authority for the benefit of the College (such undertaking, the "2008 College Note Modification"); and

WHEREAS, the 2008 College Note Modification will be accomplished through the execution and delivery by the College of, *inter alia*, an Allonge to College Revenue Note, Series of 2008 (Lebanon Valley College Project) (the "2008 Allonge"), amending the 2008 College Note and certain provisions of the Loan Agreement dated as of May 21, 2008 (the "2008 Loan Agreement") executed by the College and the Authority in connection with the 2008 College Note; and

WHEREAS, all costs of the 2008 College Note Modification shall be funded by the College, without recourse for payment of the same against the Authority or any officer, board member, employee, or agent, past, present or future, or against any other moneys, accounts, rights or other assets of the Authority; and

WHEREAS, the Bank, as successor to Metro Bank, as issuer of the 2008 College Note has issued, or will issue, a commitment to the College (the "2008 College Note Modification Commitment"), a copy of which shall be a part of the Authority's records, to modify and amend in certain particulars the 2008 College Note and the 2008 Loan Agreement; and

WHEREAS, as security for the payment of the 2008 College Note, as amended by the 2008 Allonge, the Authority confirms the assignment of all right, title and interest in and to the 2008 Loan Agreement and the 2008 College Note, as amended by the 2008 Allonge, and all amounts payable thereunder, except as otherwise provided therein; and

WHEREAS, in connection with the foregoing, certain action is required to be taken by the Authority as a prerequisite to the issuance of the 2016 Bonds and the undertaking of the 2008 College Note Modification.

NOW THEREFORE, the ANNVILLE TOWNSHIP AUTHORITY hereby adopts the foregoing Recitals and RESOLVES as follows:

Section 1. Authorizing Issuance of 2016 Bonds. The Authority hereby approves the undertaking of the 2016 Project and, for the purposes of providing funds for the 2016 Project as hereinabove described, the Authority hereby authorizes and directs the issuance of the 2016 Bonds, in the aggregate principal amount not to exceed \$22,000,000 pursuant to the provisions

of the Act and subject to the conditions hereinafter set forth. The 2016 Bonds shall be issued in fully registered typewritten form.

Section 2. TEFRA Hearing. The proper officers of the Authority are hereby authorized and directed to conduct such hearings, including without limitation TEFRA hearings, and to take any and all other actions as may be necessary to qualify the interest on the 2016 Bonds for exclusion from net income of the holder thereof under the Internal Revenue Code of 1986, as amended, and under state law.

Section 3. Authorizing 2008 College Note Modification. The Authority hereby approves the 2008 College Note Modification pursuant to the Act.

Section 4. Approval of Loan Agreement; Assignment. The Authority shall undertake the 2016 Project pursuant to the Act; and, the Bank will purchase from the Authority, and the Authority will issue and sell to the Bank, its 2016 Bonds and the Authority will, in turn, loan the proceeds of the 2016 Bonds to the College on the terms and conditions set forth in the Loan Agreement.

The form, terms and conditions of the Loan Agreement, in the form as acceptable to the proper officers of this Authority with the advice of the Authority's Solicitor and McNees Wallace & Nurick LLC, bond counsel for the 2016 Bonds ("Bond Counsel") (copies of which shall be filed with the records of the Authority), are hereby approved. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Loan Agreement in such form, subject to such changes and modifications, if any, as may be approved by the Chairman or Vice Chairman with the advice of the Authority's Solicitor and Bond Counsel, the execution of the Loan Agreement to be conclusive evidence of such approval, and the Secretary or Assistant Secretary is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same. The Loan Agreement shall thereupon be assigned to the Bank, and all payments, which under the terms of the Loan Agreement are to be made to the Authority as described in the Loan Agreement, will thereby be assigned, transferred, pledged and set over unto the Bank for the purposes and under the provisions of the Loan Agreement. The form of such Assignment is hereby approved and the Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Authority be and they are hereby authorized and directed to execute and deliver such Assignment on behalf of the Authority.

Section 5. Security for 2016 Bonds; Limited Obligations. The 2016 Bonds shall be secured pursuant to the Loan Agreement. Under the terms of the Loan Agreement, the loan payments due from the College to the Authority are pledged for the payment of the principal of, and interest on, the 2016 Bonds.

The 2016 Bonds shall not in any manner pledge the credit or taxing power of the United States of America, or the Commonwealth of Pennsylvania (the "Commonwealth"), or of any political subdivision thereof (including the County of Lebanon and the Township of Annville), nor shall it be deemed to be an obligation of the United States of America, or the Commonwealth or any political subdivision thereof (including the County of Lebanon and the Township of Annville) nor shall said United States nor Commonwealth nor any political subdivision thereof (including the County of Lebanon and the Township of Annville) be liable for the payment of the

principal or redemption price of and purchase price, and interest on, the 2016 Bonds, but it shall be a limited obligation of the Authority payable solely from the property and moneys pledged therefor as set forth in the Loan Agreement. No recourse shall be had for the payment of principal, the redemption price, purchase price or interest on the 2016 Bonds or for any other claim based on the 2016 Bonds, or Loan Agreement against the Authority or any successor body, against any officer, board member, employee or agent of the Authority, past, present or future, or against any other monies, accounts, rights or other assets which the Authority may possess. The liability and undertaking of the Authority contemplated by this Resolution shall be strictly limited as provided by the Act.

Section 6. Terms of 2016 Bonds, Execution, Authentication and Delivery Thereof. The 2016 Bonds shall initially be dated the date of their issuance and delivery, and shall bear interest, be payable in installments, mature and be subject to prepayment, all as set forth in the Loan Agreement, as executed, and shall be in fully registered typewritten form in the maximum aggregate principal amount of \$22,000,000.

Payment of the principal of, and interest on, the 2016 Bonds shall be made to the registered owner thereof in the manner and at the times set forth therein.

The 2016 Bonds shall be executed by the manual or facsimile signature of the Chairman or Vice Chairman of the Authority and shall have the corporate seal or a facsimile thereof affixed thereto, duly attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority and such officers are hereby authorized and directed to execute, or cause to be executed, the 2016 Bonds in such manner and to deliver the same in accordance with the provisions of the Loan Agreement.

Section 7. Approval and Acceptance of 2016 Commitment. The 2016 Commitment (a copy of which shall be filed with the records of the Authority) is hereby accepted and approved by the Authority. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the 2016 Commitment on behalf of the Authority; provided however, that prior to such acceptance, and by appropriate action of the College, the College shall have approved and accepted the 2016 Commitment. The Authority authorizes and directs that (a) the 2016 Bonds be issued and sold to the Bank upon the terms and conditions set forth in the 2016 Commitment and the Loan Agreement, as fully executed, and (b) the 2016 Bonds shall be delivered to the Bank, upon execution thereof, against receipt of the full purchase price plus accrued interest, if any, and the performance of all other conditions of the 2016 Commitment and the Loan Agreement, as fully executed.

Section 8. Disposition of 2016 Bond Proceeds. The Authority, upon receipt of the net proceeds of the 2016 Bonds, and upon receipt of directions from the College, shall cause the net proceeds of the 2016 Bonds to be deposited, consistent with the directions of the College, with the Bank. Following receipt of the net proceeds of the 2016 Bonds and the deposit of those net proceeds with the Bank, consistent with the directions of the College, neither the Authority nor any officer, board member, employee, or agent, past, present or future, of the Authority, shall have any liability to the College for the receipt of the net proceeds of the 2016 Bonds, or for the deposit of those net proceeds, so long as occurring consistent with the directions of the College, or for the investment or disbursement of these funds. Further, the College agrees to indemnify

and hold the Authority and any officer, board member, employee and agent, past, present or future, of the Authority, harmless from any claim, demand, liability or litigation of any type, including any damages, including attorneys' fees, arising out of the investment or disbursement of these funds.

Section 9. Approval of 2008 Allonge. The form, terms and conditions of the 2008 Allonge, in the form as acceptable to the proper officers of this Authority with the advice of the Authority's Solicitor and Bond Counsel (copies of which shall be filed with the records of the Authority), are hereby approved. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the 2008 Allonge in such form, subject to such changes and modifications, if any, as may be approved by the Chairman or Vice Chairman with the advice of the Authority's Solicitor and Bond Counsel, the execution of the 2008 Allonge to be conclusive evidence of such approval, and the Secretary or Assistant Secretary is hereby authorized and directed to affix thereto the corporate seal of the Authority and to attest the same.

Except as amended and modified by the 2008 Allonge, the Authority hereby ratifies and confirms all of the terms and provisions of the 2008 Loan Agreement and the 2008 College Note, including, but not limited to, the provisions for the loan payments and other sums payable thereunder by the College and the assignment and pledge of the security interests created therein.

Section 10. Security for 2008 College Note; Limited Obligations. The 2008 College Note, as amended by the 2008 Allonge, is secured pursuant to the 2008 Loan Agreement. Under the terms of the 2008 Loan Agreement, the loan payments due from the College to the Authority are pledged for the payment of the principal of, and interest on, the 2008 College Note, as amended by the 2008 Allonge.

The 2008 College Note, as amended by the 2008 Allonge, shall not in any manner pledge the credit or taxing power of the United States of America, or the Commonwealth, or of any political subdivision thereof (including the County of Lebanon and the Township of Annville), nor shall they be deemed to be an obligation of the United States of America, or the Commonwealth or any political subdivision thereof (including the County of Lebanon and the Township of Annville) nor shall said United States nor Commonwealth nor any political subdivision thereof (including the County of Lebanon and the Township of Annville) be liable for the payment of the principal or redemption price of and purchase price, and interest on, the 2008 College Note, as amended by the 2008 Allonge, but they shall each be a limited obligation of the Authority payable solely from the property and moneys pledged therefor as set forth in the respective Agreements. No recourse shall be had for the payment of principal, the redemption price, purchase price or interest on the 2008 College Note, as amended by the 2008 Allonge, or for any other claim based on the 2008 College Note, as amended by the 2008 Allonge, or 2008 Loan Agreement, against the Authority or any successor body, against any officer, board member, employee or agent of the Authority, past, present or future, or against any other monies, accounts, rights or other assets which the Authority may possess. The liability and undertaking of the Authority contemplated by this Resolution shall be strictly limited as provided by the Act.

Section 11. Approval and Execution of 2008 College Note Modification Commitment. The 2008 College Note Modification Commitment (a copy of which shall be filed with the

records of the Authority) is hereby approved by the Authority. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the 2008 College Note Modification Commitment on behalf of the Authority; provided however, that prior to such approval, and by appropriate action of the College, the College shall have approved and accepted the 2008 College Note Modification Commitment. The Authority authorizes and directs (i) that the 2008 Allonge shall be delivered to the Bank, upon execution thereof, and (ii) the performance of all other conditions of the 2008 College Note Modification Commitment.

Section 12. Liability of the Authority. No covenant, stipulation, obligation or agreement contained in this Resolution, the Loan Agreement, the 2016 Bonds, the 2008 Allonge, the 2008 Loan Agreement, the 2008 College Note or other related and appropriate documents shall be deemed to be a covenant, stipulation, obligation or agreement of any past, present or future member, officer, agent or employee of the Authority in his or her individual capacity and neither the members of the Authority nor any officer executing the 2016 Bonds or the 2008 Allonge shall be liable personally on the 2016 Bonds or the 2008 College Note, as modified and amended by the 2008 Allonge, or be subject to any personal liability or accountability by reason of the issuance of the 2016 Bonds or the 2008 College Note Modification.

Section 13. Authorizing Incidental Action. The proper officers of the Authority are hereby authorized, empowered and directed on behalf of the Authority to execute any and all papers and documents, including but not limited to appropriate Tax Agreements, closing certificates, assignments, and other appropriate Security Documents, and all other documents, and to do or cause to be done any and all acts and things necessary or proper for the execution or carrying out of the purposes of these Resolutions, and in connection with the implementation of the 2016 Project and the 2008 College Note Modification.

Section 14. Appointment of Bond Counsel. This Authority hereby confirms its appointment of the firm of McNees Wallace & Nurick LLC, Harrisburg, Pennsylvania, to serve as Bond Counsel for the 2016 Project and 2008 College Note Modification, and hereby acknowledges and consents to such firm's representation of the College, as well, in connection with the 2016 Project and 2008 College Note Modification.

Section 15. Payment of Fees and Expenses. The Authority understands that all fees and expenses in connection with the 2016 Project and the 2008 College Note Modification shall be paid by the College.

Section 16. Rescinding Inconsistent Resolutions. All prior resolutions or parts thereof inconsistent herewith are hereby rescinded, canceled and annulled.

DULY RESOLVED this 22nd day of November, 2016, by the Board of the Authority in lawful session duly assembled.

ANNVILLE TOWNSHIP AUTHORITY

Attest:

Paul C. Myers
(Assistant) Secretary

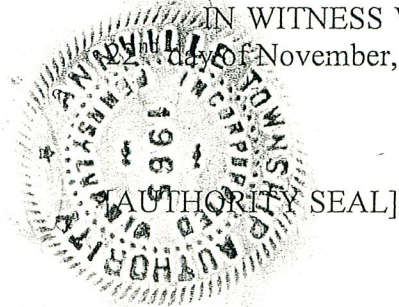
By: *Harold Hoony Jr.*
(Vice) Chairman



I, the undersigned, (Assistant) Secretary of the Authority, certify that: the foregoing is a true and correct copy of a resolution of the Authority which was duly adopted by affirmative vote of a majority of the members of the Authority present at a meeting duly held on the 22nd day of November, 2016, and such resolution remains in effect, unaltered and unamended, as of the date hereof.

I further certify that the Authority met the advance notice and public comment requirements of the Sunshine Act, 65 Pa.C.S. §701 *et seq.*, by advertising the date of said meeting, by posting prominently a notice of said meeting at the principal office of the Authority or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting prior to adopting such resolution.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Authority this 22nd day of November, 2016.





(Assistant) Secretary

SEWER FUND REPORT: The Authority reviewed the Sewer Fund Report for the period ending October 31, 2016. Mr. Yingst indicated that a year-end surplus continued to be projected and, in accordance with the 2017 budget discussions from previous Authority meetings, he reported the Board of Commissioners would be considering authorization at its December Regular Meeting for (1) the transfer of \$160,000 from the Sewer Fund to the Sewer Capital Fund and (2) a check from the Sewer Fund in the amount of \$40,000 to be deposited into the Non-Uniformed Employees' Pension Fund.

ACCOUNTS PAYABLE: The Accounts Payable list for November 2016 was reviewed. Mr. Perrotto inquired about Check No. 11063 to Elemech Inc. and Check No. 11071 to Winter Walking. Mr. Yingst indicated the former pertained to the annual maintenance agreement for the septage receiving station and the latter pertained to the purchase of ice cleats intended to reduce the occurrence of slips and falls and was recommended by the Township's workers' compensation carrier. With no further discussion noted, **MOTION** by Mr. Ludwig, second by Mr. Myers that the list of vendors to be paid (Cash Disbursements Journal) for the Sewer Fund, which list is filed with other Authority records, be approved by the Authority for submission to the Board of Commissioners for payment. Motion carried unanimously.

SUPERINTENDENT'S REPORT: Mr. Heck reported that the WWTP is operating well. He began by reviewing the Monthly Report, briefly sharing the measures being taken to ensure that the plant operates within the Total Nitrogen and Total Phosphorous levels per its permit. Mr. Heck then reviewed the Status of Pending Projects Report, a copy of which is attached hereto and made a part of these minutes, and the following items were discussed in detail:

Surcharges: The Authority reviewed the results of the latest samplings for Annville-Cleona High School (ACHS), Kindred Place, the Annville Grille, J&S Pizza, Just Wing It, Salsa's Mexican Grille, and the Lebanon Valley (United Church of Christ) Home. It was noted that, due to the results, Kindred Place would not be assessed a surcharge on its December 1, 2016 sewer bill, while ACHS would be assessed a surcharge on its next bill. Mr. Yingst indicated that copies of these sampling results were mailed to ACHS and Kindred Place the prior week, and he also indicated the results for the other five entities sampled would be issued to them upon their final surcharges being calculated upon receiving the outstanding Fats, Oils, and Grease results or water usage numbers.

SOLICITOR'S REPORT: The Authority was informed of the following items:

Legal Actions Against Significantly Delinquent Customers: Mr. Lamoureux provided a brief update on the lien against the Brandt property at 117 North Lancaster Street, noting that an intent to assess attorneys' fees letter was sent to the appropriate parties on October 26, 2016 and if payment on the lien was not made within thirty days of that date, attorneys' fees would be assessed to the lien.

Bids for Ferrous Sulfate and Methanol: The bids received by the 3 PM deadline on November 15, 2016 for the purchase of ferrous sulfate and methanol were presented, and it was noted the bids were properly advertised and could be considered for recommendation by the Authority. Mr. Lamoureux indicated he would be reviewing the low bid submissions shortly to ensure that

ANNVILLE TWP.WASTEWATER TREATMENT PLANT

STATUS OF PENDING PROJECTS

November 16, 2016

- (1) **SURCHARGE** We sampled Kindred, ACHS, UCC Home, J&S Pizza, Salsa's, Annaville Grill, Just Wing It; results attached some pending FOG results. We will shortly be sampling Corvette, Napoli's, Giorgio's and the Batdorf; those results will be available next month
- (2) **HAULING** Hauled 96 loads 364,800 gals of Biosolids to Heilbronn farm
- (3) **PLANT** Plant is operating very well
- (4) **FLUSHING** We will be cleaning some lines for N. Annaville and some of our problem lines before winter

Respectfully Submitted,
Les Powell Chief Operator

the required bid specifications had been received from each. There was a brief discussion on the possible reasons why only one bid had been submitted for each item and, at the request of Chairperson Rooney and Mr. Ludwig, Mr. Yingst indicated he would have a discussion with the Superintendent of the WWTP to see if it made sense to purchase these items through COSTARS in the future. With no further discussion noted, **MOTION** by Chairperson Rooney, second by Mr. Seward to (1) recommend to the Board of Commissioners to approve the purchase of ferrous sulfate from the lowest bidder, Evoqua Water Technologies, LLC of Sarasota, FL, at \$0.753 per gallon, contingent upon its satisfying all required terms and bid specifications per the Solicitor's review of its bid submission and (2) recommend to the Board of Commissioners to approve the purchase of methanol from the lowest bidder, Univar USA, Inc. of Middletown, PA, at \$1.09 per gallon, contingent upon its satisfying all required terms and bid specifications per the Solicitor's review of its bid submission. Motion carried unanimously.

Recess for Executive Session: Chairperson Rooney called a recess for an Executive Session to discuss potential litigation and the room was cleared of the public at 5:50 PM. The Regular Meeting was reconvened at 5:52 PM with the five members of the Authority, Mr. Yingst, Mr. Heck, and Mr. Lamoureux present.

ENGINEER'S REPORT: Nothing to report this month.

CLERK'S REPORT: The Authority was informed of the following items:

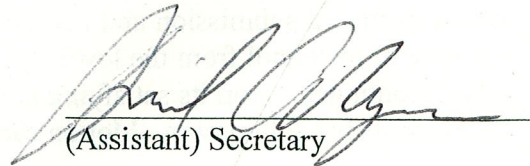
Delinquent Report: Mr. Yingst informed the Authority of the measures taken by the Township Office over the past month to collect on delinquent accounts. He noted that since the October 25, 2016 Authority meeting 20 accounts were posted for shutoff; this was comprised of four customers who were under a payment contract but had not paid, 11 customers not under a payment contract with the Township, and five landlord/tenant customers. Mr. Yingst concluded by reporting that over the past four weeks more than \$3,900 had been received from significantly past-due customers, including \$400 from the Allen Theatre.

Investment Opportunities: Referring to a suggestion of Mr. Ludwig's from a prior month's meeting, Mr. Yingst reported his office has researched several options for potentially earning a greater return on the balance of the Sewer Capital Fund. He indicated he was interested in a one-year investment option that could yield between 1% and 2% annually and has asked Mr. Lamoureux to investigate if the likely investment mixture of municipal bonds and other governmental bonds would be legal based upon the applicable codes. He noted that this option was provided by the broker Myerstown Borough uses for these types of transactions, and he further noted he may be interested in moving other funds within the Sewer Capital Fund that need to be more liquid to a Pennsylvania Local Government Investment Trust (PLGIT) Plus account that would earn a higher rate than the current PLGIT account being used.

December Meeting Reminder: Mr. Yingst reminded the Authority that, due to the Christmas holiday, the Township Authority would be holding its final 2016 meeting on the third Tuesday in December, December 20, and was scheduled to hold its election of officers for 2017 at that meeting.

MOTION by Mr. Perrotto, second by Mr. Ludwig to approve the reports as presented at this meeting. Motion carried unanimously.

There being no further business to come before the Authority, **MOTION** by Mr. Myers, second by Mr. Ludwig to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 5:57 PM.



(Assistant) Secretary