

## Palmer Township, Northampton County

### Palmer Township Stormwater Authority Meeting Minutes

October 23, 2023, 2PM, 3 Weller Pl, Lower-Level Municipal Meeting Room

#### 1. Organization

- i. Present: Kendall M. Mitchell, Ann-Marie Panella, Bob Blanchfield, Craig Swinsburg, Robert Lammi. Also present: Lee Stinnett, George White, Bruce Hulshizer, David Pyle, Robert Williams, James Farley, Paige Strasko, Scott Kistler, Tom Adams, Philip Godbout, Jamie Paetzel, and William Oetinger.

#### a. Chair and Vice Chair

- i. The meeting was called to order at 2:00PM. Robert Williams asked that everyone rise for the pledge of allegiance.
- ii. Williams gave a brief introduction and overview of the Township's MS4 program, state and federal regulations, the shift to view stormwater as a utility, the need for better management of stormwater infrastructure, unexpected damage the Township suffered in July during catastrophic storms, the history of MS4 in surrounding communities, and the goal to reduce stormwater issues for residents throughout the Township. Williams introduced the five Authority members, Township staff, solicitor Lee Stinnett from Salzman and Hughes, and Herbert Rowland and Grubic (HRG) staff. Stinnett opened the floor for nominations for Chairman.
- iii. Lammi made a motion to appoint Blanchfield as Authority Chairman, and Panella seconded. There were no other nominations and the motion passed by unanimous voice vote.
- iv. Blanchfield asked to add a Public Comment item to the end of the agenda. All members agreed and there were no other additions to the agenda. Blanchfield stated that the Pennsylvania Municipal Authorities Act included important tasks for the committee at their organizational meeting. The Township has created the Palmer Township Stormwater Authority (PTSA) by approving an ordinance dated September 5, 2023, signifying the intention and desire of the Board of Supervisors under provisions of the Municipal Authorities Act. In addition, Palmer filed Articles of Incorporation with the Pennsylvania Department of State on September 28, 2023. These articles have been approved and allow us to move forward with today's meeting. The creation of authority goes back to the Federal Clean Water Act which placed stormwater regulations, requirements, and controls on Pennsylvania municipalities to manage stormwater. In 2013, legislation was passed to specifically allow for the creation of stormwater authorities for planning, management, and implementation of stormwater controls. Additional legislation was enacted in 2014 that allowed Stormwater Authorities to adjust the rates to accomplish these tasks. The

first task is to set up the organizational structure. Blanchfield opened nominations for Vice Chairman.

- v. Mitchell nominated Lammi, and Lammi declined. Lammi nominated Swinsburg for Vice Chairman. The nomination passed by unanimous voice vote and Swinsburg accepted the nomination.
- vi. Blanchfield opened nominations for secretary. Lammi made a motion to nominate Mitchell and Mitchell declined. Lammi nominated Panella for Secretary. The nomination was passed by unanimous voice vote and Panella accepted the nomination.
- vii. Blanchfield opened nominations for Treasurer and nominated Lammi. The nomination was passed by unanimous voice vote and Lammi accepted the nomination.
- viii. Blanchfield said the PTSA needs to recognize and approve the following appointments as part of their organizational meeting, starting with solicitor. The Township has recommended appointing Lee Stinnett from Salzman and Hughes. Stinnett is very knowledgeable on MS4 requirements, compliance, and regulations. Blanchfield asked for a motion to approve Stinnett as the solicitor. Mitchell made a motion to appoint Salzman and Hughes as the solicitor for the authority, and Lammi seconded the motion. The motion was approved by unanimous voice vote.
- ix. Blanchfield said the next item is appointing the engineering consultant. The Township has recommended Herbert Rowland and Grubic Inc, also called HRG. Blanchfield also recommended that HRG is appointed as the engineering consultant. Panella made a motion to appoint HRG as the engineer for the PTSA, and Swinsburg seconded the motion. The motion was passed by unanimous voice vote.
- x. Blanchfield stated the PTSA will utilize the services of James Farley, Palmer Township Financial Director as the accountant, and payment for these services will be detailed in the Management Agreement between the Township and the PTSA. Mitchell made a motion to nominate the Finance Director James Farley as the PTSA Accountant and Lammi seconded. The motion was passed unanimously by voice vote.
- xi. Blanchfield stated he would also like to make official the appointment of Paige Strasko, the MS4 Coordinator, in a similar manner to Jim Farley. Lammi made a motion to nominate Paige Strasko as the MS4 Coordinator for the PTSA and Panella seconded. The motion was passed by unanimous voice vote.
- xii. Blanchfield stated it has been suggested that the regular monthly meeting dates be on the third Wednesday of the month at 5PM in the lower meeting room. Blanchfield asked if this date was acceptable for everyone and for a motion to approve. Swinsburg made a motion to approve the regular meeting dates and times and Panella seconded. The motion passed unanimously by voice vote.

- xiii. Blanchfield stated that compensation for the Authority members needs to be further discussed with the Township Board of Supervisors and the Manager. Approved compensation will be contained in the bylaws that have not yet been written. Outstanding documents that still need to be finalized and accepted are the Management Agreement, Rates, Rules, and Regulations document, Lease Agreement, and Bylaws. Blanchfield asked Stinnett if he had any comments. Stinnett stated that his office has a first set of draft documents that were distributed to the board members, and he will be working through some of the comments already received and provide a revised set of the Management and Lease Agreements. Stinnett stated that they are hoping to approve those agreements along with other stormwater program documents at the November meeting.

## **2. Priority Project List**

- i. Blanchfield, Strasko, and White discussed priority projects from Township staff including project lists from Tom Adams and Scott Kistler.
  - ii. White discussed HRG's desire to have a work session with the PTSA on a priority system that would help members determine projects based on certain data criteria such as property damage, safety, and school and emergency routes. White also said the first priorities are already determined, such as Meadow Avenue, but moving forward the PTSA can use HRG's spreadsheet to assign priority to the various stormwater projects to determine a master plan that is fair and non-biased.
  - iii. Blanchfield stated that the justification is going to be critical for residents in explaining why certain projects are moving forward before others. White stated that the criteria are weighed differently to help determine priorities and HRG will need input from the Authority members.
- a. Kingwood Street Agreement-HRG**
- i. White stated that Kingwood Street is in the final design, there is a proposal that was sent to the Township as a supplement to the current contract. They found in the preliminary design that there are sewer and water utilities in the street, but the depth of the water lines needs to be determined to not interfere with them. The supplement is for subsurface utility engineering. Once that is finalized, HRG will provide the bid documents and the project is still on schedule to go to bid in the spring.
  - ii. Williams stated that the township is in receipt of the supplemental agreement and the Township has taken a step back since the Authority was approved and incorporated. Prior to the formation of the Authority, the Township had to utilize time, finances, staff, and effort to get the program where it is today but felt that there had to be a point where the Township was not choosing the Authorities projects. Williams suggested that the Kingwood Street proposal come to the PTSA for approval and review to make its decisions, as well as any other proposals that have come to the Township since the PTSA incorporation. Blanchfield and White agreed.

White stated that they would revise the Kingwood proposal and send it to the PTSA prior to the November meeting.

- iii. Blanchfield suggested forming an engineering committee to review the decision making that went into projects to keep public meetings brief. Blanchfield and White discussed this process in other Townships that HRG has worked with. Lammi discussed establishing a finance committee to have similar functions as the engineering committee to save the public's time by summarizing what was discussed during committee informational sessions.
- iv. Lammi asked Stinnett if the committee meetings would need to be advertised as a workshop and Stinnett said it depends on how many members are present. If it is less than a quorum then it does not need to be advertised and is not considered a meeting, but any action would come to the full board for final approval. Hulshizer commented that he would suggest having a few Authority members and critical staff members that are included in the meetings.
- v. Blanchfield asked Adams and Kistler if they had any comments to make on their project lists. Adams stated he had no further comment. Williams asked Kistler to come to the podium and share his major concerns. Kistler stated that he thought it would be better for the board to digest what they had in front of them and come back in a workshop to ask any questions relating to the project lists in terms of what the top priorities are, how they reached those conclusions, and any questions regarding equipment or personnel requests for the 2024 budget.
- vi. Williams also discussed a grant the Township received for mitigation planning on Meadow Avenue and the need to follow through with the grant. Williams stated that Meadow Avenue should be discussed at the first workshop meeting and explained that the Kingwood Street project was not a large one, but something that would be impactful for the residents since they have had drainage issues for multiple years.
- vii. Lammi agreed with Williams that Meadow Avenue is a top priority and described the 2004 flood event in the area, and the progress on the project including discussions with a developer and Bethlehem Township, and pinch points that were found in the stormwater system. White described that at a future meeting HRG will present their findings and recommendations for Meadow Avenue. Kistler described some of the history with Meadow Avenue stating that the flooding issues date back to the early 1970s and that the Township had made multiple attempts to alleviate the issues and that this has been the top priority for Township staff and there has been a lot of work on Meadow Avenue up to this point.

**b. What will it take to be shovel ready?**

- i. Pyle discussed lead time for projects to be ready, get funding, and have construction take place. Pyle explained PennVEST funding for projects

and the requirements, paperwork, permitting, timing, settlement, and notice to proceed that is involved in receiving a PennVEST loan.

- ii. Blanchfield asked about the settlement stage. Pyle explained that once you get an offer back from PennVEST, then the documentation is reviewed and signed to settle with them on a package or agreement detailing the construction that will be done. Blanchfield asked if PennVEST would be reviewing engineering details. Hulshizer explained that the longest process is the debt processing reports for DCED showing that the utility rates are sufficient to cover debt. Pyle summarized by stating that the Authority can apply to PennVEST four times a year and explained if the PTSA applied for funding in February, there would not be a notice to proceed on the project until November or December. Pyle also explained that the funding planning piece for projects is critical to determine when a project will be shovel ready and that HRG wanted to make the Board aware of a possible timeline for some funding sources.
- iii. Mitchell asked if PennVEST required a specific project for each loan and if the PTSA could group projects in one loan. Pyle suggested planning the work and explained that PennVEST requires having permits in place prior to applying for funding. White explained that the goal is to be a few projects ahead of the application process to be prepared when grants become available. Lammi discussed his past experiences with bonds as a Supervisor and a Sewer Authority member and how he was not familiar with the PennVEST process. Pyle explained that there are other sources of funding, and this was only one example.
- iv. Swinsburg asked if there was a minimum amount for a PennVEST loan. Hulshizer stated \$500,000 would be his suggestion for a minimum amount.
- v. Lammi stated that they have mainly discussed stormwater projects, but the MS4 aspects are important as well and asked if there were any shovel ready projects for the MS4 program that focused on water quality. White stated that they still have four and a half years to complete the Pollutant Reduction Plan (PRP) projects, and that HRG usually retrofits existing basins to increase water quality because it is more cost efficient.

### **3. Proposed Budget Model**

#### **a. Existing accumulated costs**

- i. Blanchfield asked for Farley's input on existing accumulated costs and how the authority will determine the utility rate.
- ii. Farley stated that the members just recently received the budget information and would need time to look it over and formulate their questions and suggested that authority members reach out to himself, Strasko, or Pyle with budget related questions.
- iii. Blanchfield asked who prepared the budget spreadsheet provided, and Farley explained HRG compiled staff input over the last several months

and that HRG brought knowledge of historic start-up costs and implementation fees for the MS4 program. Farley also described the PTSA would need to setup a bank account, possible reorganization in the new year, software that the Township uses for utility billing and how they will be able to incorporate the stormwater fee in existing utility billing for ease of residents. Farley also discussed the timing of revenue, timing of projects starting with Kingwood Street, paying cash for the project, not having a debt service until 2025 and getting the ball rolling so residents can see progress being made earlier on, keeping in mind the timeline that HRG discussed for applying for funding.

**b. Township budget needs**

- i.** Farley discussed upfront costs from the Township of 1.8 million dollars accrued in 2023 mostly from stormwater damage in July and that they are estimating about 1 million dollars to finish emergency repairs. The Township is also finalizing costs for PTSA startup including HRG’s time, Kingwood as a possible project, and hiring staff for Kistler to perform required MS4 duties. The budget also includes materials and equipment to continue to expand the MS4 program and perform regular maintenance.
- ii.** Blanchfield stated that everyone was aware of a proposed \$20 fee, but how would the Authority determine that rate? Farley stated that HRG had put together a scale of cost based on budget and impervious area, and that \$20 was the starting point considering the millions in damage that recently occurred. Mitchell clarified that not everyone would pay \$20, and Farley confirmed the number was an average, and HRG staff would explain further. Blanchfield and Farley discussed that the \$20 rate would give the PTSA the ability to start projects early, pay back debt to the Township, and give residents the results they are looking for on a reasonable timeline.
- iii.** Blanchfield asked if all members understood what Farley had explained and if they agreed. Members did agree and Blanchfield clarified that they will have a vote later once the budget is further reviewed. Farley explained that once the numbers are in the budget template, they will be more refined. Lammi stated he believes the Finance committee should go through the numbers in more detail so there is documentation as to how the PTSA reached that number. Farley stated that the budget spreadsheet assumes a \$20 rate to give authority members an idea of what the pieces are, and that they can go into more detail later.
- iv.** Williams explained that the citizens committee meetings or workshops upstairs that took place over several months had discussed a fee that was half of what was currently proposed at two public meetings that were following the July storms. Williams also stated that the public was informed that the authority was starting off millions in debt because of the catastrophic July storms, and that the Township was in a difficult position. Williams also stated that they needed to be truthful, open, honest, and

transparent, and explained how the conditions changed from the first citizens meeting to the last public meeting.

- v. Blanchfield asked Farley if his office would handle the credit and appeals process. Farley stated that Strasko would be working with HRG to process appeals and credits using a scientific method that HRG has used in other communities. Farley explained his office could adjust the rate for a resident or business owner but would not process the appeal paperwork.
- vi. Blanchfield described that he spoke with Bethlehem Township on their credit and appeals process and Pyle stated that the credit and appeals document would be included with the other agreements that needed to be reviewed and approved by the authority.
- vii. Blanchfield asked if there were any other comments and Farley discussed work that was done on Hollo Road the Township performed in 2023 that would be discussed with the authority during another meeting and that those numbers were not included in the spreadsheet provided.

#### **4. Proposed Rate Model**

##### **a. Work in 2024 based on budget.**

- i. Pyle explained that HRG is using the most recent data from the county for the number of parcels in Palmer Township in a rate model and will include budget decisions from the authority to determine a final rate, but they are expecting to have a finalized impervious area calculation generated. Blanchfield stated it would be ideal to have those items approved no later than December. Pyle explained how the budget spreadsheet was used to calculate the rate for impervious areas.

#### **5. Status of Legal Matters**

##### **a. Received Certificate of Incorporation**

- i. Blanchfield stated that the Articles of Incorporation moved more quickly than anyone had anticipated, and asked if Stinnett had any other comments. Stinnett reiterated that his office would send updated agreement documents for the November meeting.

##### **b. Next Steps**

##### **c. Upcoming Dates**

- i. Stinnett stated that he had no further comments.

#### **6. Website Updates**

##### **a. FAQs**

- i. Blanchfield stated that the Township conducted two public meetings on September 7 and September 21, 2023, discussing the intention of creating a stormwater authority and establishing a stormwater utility fee. During the discussion, Strasko discussed creating an online reporting site for stormwater concerns and a list of Frequently Asked Questions and asked Strasko to comment.
- ii. Strasko stated that they are following Bethlehem Township's model of creating a stormwater reporting page for residents to send pictures and

videos of stormwater concerns or issues in their area. Strasko is in the process of reviewing Bethlehem Township's organization of their site for Palmer to create a stormwater department page to make information easier for residents to find. Strasko stated that there was already a Frequently Asked Questions document added to the existing stormwater page on the website, and she is still working with DeGerolamo and the IT department to create a standalone stormwater department page. Strasko also stated that she is still working with HRG to develop and add a stormwater reporting page to the website as well, but by November the website should be finalized. Strasko also mentioned that she has already received pictures of stormwater concerns from residents, and she can share the information with authority members.

**7. Action items for PTSA and Township for November and December**

- a. Blanchfield and Lammi discussed appointing authority members to the engineering and finance committees and to keep in mind they should only have two members to avoid a quorum and advertising requirements.
- b. Blanchfield stated that they will discuss the finance committee first, and asked Swinsburg if he would volunteer, and Swinsburg confirmed. Lammi stated that he should also be on the finance committee as the Treasurer, and that they should have rotating positions to include all members at different meetings. Blanchfield asked Stinnett if more members could participate or if it had to be less than a quorum since there wouldn't be any action taken. Stinnett said if there isn't deliberation, and it is strictly information sharing then that is typically acceptable. Mitchell stated that he would like to participate and Blanchfield confirmed that the finance committee would be Lammi, Swinsburg, and Mitchell.
- c. Blanchfield asked if there were any members interested in being on the engineering committee. Hulshizer commented that both committees would need to meet with HRG. Blanchfield volunteered to be on the committee, and Mitchell stated that he would join as well and clarified that the meetings would be once a month. Members deliberated on a third member, and Panella stated she would join. Blanchfield stated that the engineering committee would be himself, Mitchell, and Panella. Swinsburg clarified that this would be a workshop scenario and Stinnett explained that he envisioned the process as receiving information from the consultants, asking questions and any deliberation on that information would occur between the whole board at a public meeting. Swinsburg asked if it would make sense to have all members present at the first few meetings to gather all necessary information. Blanchfield agreed. Hulshizer explained that in the beginning the two committees would be blended and it would make sense to hold meetings back-to-back.
- d. Blanchfield asked to add an ongoing agenda item for MS4 water quality and education. Strasko explained that her position as MS4 Coordinator included putting out educational material for residents regarding the stormwater program. Blanchfield asked Strasko to give a monthly report on MS4 education.



- e. Lammi and Blanchfield discussed an agenda outline from the Municipal Authorities Act.
- f. Blanchfield asked about member terms and Stinnett explained that initial terms were outlined in the legislation and that members with expired terms were included until someone new was appointed.

**8. Public Comment**

- a. No one from the public was present.
- b. Blanchfield asked if there were any other items that needed to be discussed. Hulshizer stated that they should have their committee meetings prior to the November 15th meeting. Authority members decided to hold their first committee meetings on November 6<sup>th</sup> at 2PM and 3PM. Blanchfield confirmed with Stinnett that the meeting would be advertised and that Strasko would send the ad to the paper. Mitchell asked Strasko to send out a meeting reminder.
- c. Lammi asked that the members receive a packet the week before to review pertinent material prior to the meeting.
- d. Blanchfield called for adjournment and Panella made a motion. Mitchell seconded and it was passed by unanimous voice vote. The meeting was adjourned at 3:29PM.