

MINUTES  
New Holland Borough Authority  
April 19, 2022

The New Holland Borough Authority met in regular session on Tuesday, April 19, 2022 at 8:30 a.m. in Borough Hall. Members present were Chairman Robert P. Johnson, Vice-Chairman Michael H. Kurtz, Assistant Secretary/Treasurer Jack E. Schnader and Secretary Lino Vescovich was present via phone. Treasurer Ernest M. Orr was absent. Others present were: Authority Manager/Recording Secretary J. Richard Fulcher, Authority Solicitor Bradford J. Harris, Borough Administrative Assistant Paula Walsh, Water Department Supervisor Jesse Kern, Wastewater Assistant Supervisor, Dan Rebuck, water consultant Jeff Bologa of Becker Engineering, wastewater consultant Dave Shirk of Buchart-Horn, Dave Faust and Seth Berry of Solar Renewable Energy, LLC and local business person Patrick Morgan.

Chairman Johnson opened the meeting, asking for action on the Minutes of the prior Authority meeting.

Jack Schnader made the motion that the Minutes of the Authority's meeting of January 18, 2022, be approved as distributed. This was seconded by Mike Kurtz and passed.

Assistant Wastewater Department Supervisor Rebuck stated he was present to answer any questions or concerns related to the Supervisor's annual Report; or other operational questions.

There being no items of concern, Chairman Johnson expressed the Authority's appreciation for the Report of activities.

Wastewater consultant Dave Shirk provided an update on the planned repairs and improvements to the Bio-Solids storage pad structure. Since it was originally constructed, the one wall in particular when the piles are pushed back against it, has weakened over the years. It is only about four feet high currently. A higher wall is planned to be replace this with additional repairs and reinforcement planned for here and for other areas. This could be ready for bid at the Authority's next meeting.

Dave Faust and Seth Berry of Solar Renewable Energy, LLC (SRE) of Mechanicsburg then presented overview information for potential solar energy

panels on portions of the wastewater plant property. A draft sketch plan was distributed which indicated the approximate locations for the panels. Their firm has led over 250 such projects. The proposed project would be a private public partnership under a structure called a Power Service Agreement (PSA) between an SRE owned entity and the Borough/Authority. The Borough/Authority will have the option to purchase the system beginning in year six and at other specified intervals throughout the life of the contract. Operations and maintenance (O&M) of the system is the responsibility of the system owner. If the Borough/Authority exercises their option to purchase the system, O&M can be contracted to continue with SRE or another entity at a time of purchase. The estimated direct current (DC) system size of the project is 801 kilowatts (kW), which is estimated to produce approximately 1.119 million kilowatt hours (kWh) in the first year of operation. The system would provide about 54 percent of the Borough's current total electric usage or said differently approximately 114 percent of the wastewater treatment plant's annual electric usage. The additional 14 percent will offset other Borough electric usage for facilities located within a two-mile radius of the wastewater treatment plant through PPL's (electric utility) net metering and virtual net metering regulations. Along with the continuous operational savings, under the program known as the Act 129 Rebate program, the Borough will receive a one-time payment of approximately \$224,000 based on the draft design, approximately six months after the system is operational. This allows the Borough's energy distributor, PPL, time to validate the actual system production data vs. projected data. Using the assumption the Borough/Authority purchases the system in Year 6, over a 40 year cycle, the estimated total net cash flows would be about \$3.3 million. The panels have a 30 year power production warranty rated to produce 80 percent of nameplate rating on the panel in year 30 and have an expected useful life of 40 years. The system would include six 125kW string inverters that convert direct current (DC) to alternating current (AC). The inverters come with a 20 year warranty. The racking consists of posts-pile driven into the ground, with an embedment depth of about 6 feet. The panels will be set at a 20 degree tilt facing south with the lowest end of the panels being 3 feet off the ground to allow proper maintenance. He and Mr. Berry and Supervisor Myers did meet recently with the Earl Township Supervisors to inform them of the potential project. They seemed to indicate their main concern would be that adequate slates be placed in the existing fencing to keep the glare from reflecting onto South Custer Avenue. The initial power service agreement with Solar Renewable is identified as 28 years; however, the owner purchase option is encouraged by them. They did not bring the financial projection outline sheet with them for today but will present it for the next scheduled discussion.

Member Vescovich inquired if the solar panels are all to be on the ground surface only; not on structures?

Mr. Faust stated that is correct.

Member Kurtz inquired if the potential future needs for possible expansion or modifications of the plant would be a major concern, and what type of damage usually occurs and how often does it occur with these systems?

Mr. Faust replied that in their experience, most damaged panels happen due to lawn mower related accidents. Overall, they have experienced only small amounts of this type of damage. Their on-going operations and maintenance plan involves annual as well as periodic site visits and inspections or otherwise as needed. It can also be remotely monitored from their office. As concerns the possible future area needed, an on-site review was held with the Borough's Wastewater Supervisor to review operation concerns and this proposal was felt satisfactory. There is remaining open space in other areas of the site.

Member Schnader asked if they had some historical data from such an operation.

Mr. Faust identified the Mt. Joy Borough Authority, which is one of the ones they did. It has been in operation eight or nine years. They can provide information on this.

Borough consultants Bologna and Shirk noted that before the project can proceed to construction, their firms would need to review the details as to nearby water and wastewater infrastructure and related to concerns.

Mr. Faust noted this will be part of the process for approval. If the Authority approves to proceed, there is no cost to the Authority. The cost involved with the approvals, Earl Township, PPL and so on, are Solar Renewable's responsibility.

Chairman Johnson thanked Mr. Faust and Mr. Berry for their presentation and noted a second meeting will be set to continue the discussion with them.

Borough Consultant Bologna stated he will be able to obtain information related to Mt. Joy Authority's solar experience as well as the one in place for the Northwest Lancaster County Authority.

Member Schnader reported he was present on April 14 in Council chambers when proposals for potential auctioneering services were publicly opened and read out loud. Of the proposals received, the low cost proposal at 1.5 percent, with a maximum advertising budget of \$2,500 was from Patrick K. Morgan Auction Service, LLC. The next lowest was 2 percent. This service is for the Authority to be able to proceed with the sale of three remaining lots still owned by the Authority in the former watershed area. These lots are no longer needed for an Authority purpose. Two lots, each about 1.8 acres in size are part of an old small subdivision done by the Authority. The other lot is approximately one acre and is located in East Earl Township. This was leased for years from the Authority by the Pennsylvania Game Commission, which maintained a communications tower on it. They stopped using it a number of years ago.

Member Vescovich asked if a little more background information on these odd lots could be provided.

Manager Fulcher stated he has reviewed with long-time member Schnader and as noted, the smaller one was once leased by the state Game Commission. The remaining two are in Salisbury Township and were part of a small subdivision done by the Authority over 30 or more years ago. At the time, one person who held title to a number of parcels within the main watershed area, preferred land exchange over outright purchase. After all of this, two adjoining subdivided lots remained with the Authority along with a smaller one, once leased by the PA Game Commission and held by the Authority for a future need or sale. It would appear to be a good time for the sale of these unneeded lots.

Mike Kurtz made the motion that proposed Resolution #534-A be approved as prepared by the Solicitor; noting this authorizes the sale of these three lots by low bidder Patrick K. Morgan Auction Services, contingent upon the Services Agreement preparation by the Solicitor. This was seconded by Jack Schnader and passed.

Jack Schnader then made the motion that along with Resolution 534-A, that authorization be granted to the members in attendance at the auction to make the decision as needed to accept, reject or negotiate related to bid prices per lot; with the Solicitor present and authorized to prepare and provide any necessary documentation. This was seconded by Lee Vescovich and approved.

Water consultant Bologa reported on the status of the new well construction at Groff Park. A few weeks ago, they had a "start-up" trial of the process. In doing

so, they discovered an over-voltage problem with the Variable Frequency Drive, as well as with a pressure switch. Both of these need to be replaced by the contractor. The unfortunate situation in today's pandemic environment is that such replacement equipment is no longer quickly available or maintained for exchange; therefore, there is again a delay in receiving the replacement equipment. Because this is not the fault of the contractor, they understand and recommend a Change Order for an additional time extension. This is suggested to be worded "completion within 20 days of the equipment arriving on site." This would apply to all three contracts.

Lee Vescovich made the motion that Change Order #5 for Contracts 1, 2 and 3 be approved as reviewed and recommend by the engineer. This is at no cost to the Authority. Jack Schnader seconded the motion which passed.

<u>C.O. #</u>	<u>Contract(s)</u>	<u>Allowance:</u>	<u>Cost</u>
5	1, 2, and 3	Substantial Completion within 20 days of equipment arriving on site	\$0

Consultant Bologna reported that the second Change Order is for Contract 2. It contains two elements. The first resulted in a mutual agreement that the solenoid valve for the Salt Bin could not be located outdoors as initially planned. He provided the following outline for both elements:

**Element 1:** a. SV-500 (solenoid valve for salt bin feed) could not be installed outdoors and needed to be relocated to an indoor location; control wiring also needed to be run from the water softener control panel (WSCP) to the relocated SV-500 using conduit already in place. b. The transmitters for LE-500 & 501 (level transmitter for salt bin and brine day tank) were not loop-powered as assumed during design; 120 VAC power wiring needed to be run from the WSCP to LE-500 & 501 using conduit already in place. c. The water softener differential pressure transmitters was not indicated on the P&ID, Sheet No. PID-2. Thus, the cable and conduit requirements were not shown on the electrical drawings. Nonetheless, cable and conduit need to be run from the WSCP to the water softener differential pressure transmitter. **C/O Cost +\$4,873.80**

**Element 2:** Brine Pump Motor Starters – They were expected from the manufacturer of the softener equipment but not depicted on the plans. The motor starters are required to be installed as the WCSP signals to the motor starter to start the pumps. **C/O Cost +\$13,685.48**

He explained that due to a change in the plans for the originally specified motors that included built in motor starters, they ultimately decided to call for a different

method on the plans and the built in motor starters were not included with the original specifications. They are needed regardless but they did miss including these on the revised specifications.

Jack Schnader then made the motion that Change Order #6 for Contract 2, be approved as outlined and explained by the engineers. This was seconded by Lee Vescovich and passed.

<u>C.O.#</u>	<u>Contract</u>	<u>Allowance</u>	<u>Cost</u>
6	2	i. Solenoid Valve Relocation	\$4,873.80
		ii. Brine Pump Motor Starters	\$13,685.48

Mike Kurtz then made the motion that the bills be paid as prepared. This was seconded by Jack Schnader and passed. The bills were:

Walabax Construction Contract 1, AFP #15	\$30,039.00 Ck#1558
Becker Engineering T-Mobile Grandview, Verizon Diller	\$1,871.80 Ck#1559
Walabax Construction Contract 1, AFP #16	\$45,068.00 Ck#1560
Garden Spot Mechanical Contract 3, AFP #6	\$14,220.00 Ck#1561
Garden Spot Electric Contract 2, AFP #5	\$39,210.78 Ck#1562
Walabax Construction Contract 1, AFP #17	\$67,248.96 Ck#1563
Becker Engineering T-Mobile Grandview	\$480.00 Ck#1564
Lancaster County Treasurer Spring Taxes for 287 Phillip Rd., Wertztown Rd.	\$231.81 Ck#1565

Becker Engineering	\$1,990.50
Well Head Protection Area, Verizon Diller	Ck#1566
Walabax Construction	\$26,259.71
Contract 1, AFP #18	Ck#1567

Businessman Patrick Morgan thanked the Authority for the opportunity to provide his services. He will be working with the Solicitor and Manager to complete requirements and move forward with the auction.

Lee Vescovich made the motion that this meeting be recessed to Monday, May 2, 2022 at 8:30 p.m. to continue the discussion and potential action on a solar energy system. This was seconded by Jack Schnader and passed.

April 19, 2022  
Continued To  
May 2, 2022

The New Holland Borough Authority met in recessed session from April 19, 2022 to May 2, 2022 at 8:30 a.m. in Borough Hall. Members present were: Chairman Robert P. Johnson, Secretary Lino Vescovich and Assistant Secretary/Treasurer Jack E. Schnader. Vice-Chairman Michael H. Kurtz and Treasurer Ernest M. Orr were absent. Also present were Authority Manager/Recording Secretary J. Richard Fulcher, Authority Solicitor Bradford J. Harris, Borough Wastewater Department Supervisor Tina Myers, Borough Administrative Assistant Paula Walsh and representing Solar Renewable Energy, LLC, David Faust and consulting with Mr. Faust, David Kratzer of KMS Consulting.

Chairman Johnson reconvened the meeting, noting that today is to be a continuing gathering of information and dialogue as to a potential solar energy project on the wastewater treatment plant property.

Following a series of questions and answers, the following is an outline of major discussion elements.

Solar Renewables, through Mr. Faust and Mr. Kratzer provided the following information.

Detail information is to be provided by them for:

- i. information on "end of life" cycle costs, as to dismantling such a system;
- ii. actual vs. projected financial comparisons experienced by the Mt. Joy Authority's project;
- iii. detail warranty information on the Inverters and solar panels;

Other information elements presented included the following:

- a. Currently 90 percent of the project materials are recyclable
- b. The current value in PA for the SERC is approximately \$40.
- c. A "Production" guarantee for the Authority can be identified in the Agreement. This is usually done on a two year cycle.
- d. The "Market Value" is a projection.
- e. The regional power grid "PJM" does have a fallback price for SERCs.
- f. The warranty for the Inverters is 20 years; for the panels it is 30 years.
- g. If the original Agreement does not change, it is for a period of 28 years.
- h. The current initial solar rebate is a one-time payment and is based on a first come, first served basis from PPL.
- i. There is still to be a projected electricity "Distribution" cost to some extent under the project, similar to all electric bills.
- j. The project is usually provided a 24 month completion period once approved to proceed.
- k. There is no state governmental regulatory process to go through with this. PPL and Earl Township Inspectors identify compliances.
- l. The meter inter-connection is to be on the north end of the Operations building.
- m. Along with 100 percent of the wastewater plant's electrical needs, a projected additional 14 percent of the Borough's electric costs will be credited to any Borough facilities within two miles.
- n. The Borough's current energy supplier contract ends in the third year of the proposed Agreement, which is why there is a projected higher jump in the market purchase price of KWh at that time.
- o. During the period of ownership by Solar Energy, the regular activities of maintenance include a regular annual winter inspection, usually a period of low productivity; and it is monitored by them off site in the interim.

Borough Wastewater Department Supervisor Myers emphasized that she does not foresee anything major impacting the plant as to expansion that would impede the project; recognizing that a 40 year period is hard to project. She believes it would be difficult to construct any type of plant expansion in the area affected by the solar project because all of the plant's hydraulics are established outside that area. If this occurred and the operation was maintained, it would take a major complete reconstruction of the plant in a significantly different configuration.

Noting there is additional information to be received and reviewed, and a mutual conversation with Council may also be held, Chairman Johnson suggested this meeting be further continued for additional review and discussion.

Jack Schnader made the motion that this meeting be continued until 8:30 a.m. on Monday, June 13, 2022. This was seconded by Lee Vescovich and passed.

The meeting then recessed at 9:40 a.m.

April 19, 2022  
Recessed to May 2, 2022; to  
June 13, 2022

The New Holland Borough Authority met in reconvened session for the meeting of April 19, 2022, as reconvened on May 2, 2022 and continued to today, June 13, 2022 at 8:30 a.m. Members present were Chairman Robert P. Johnson, Secretary Lino Vescovich, Assistant Secretary/Treasurer Jack E. Schnader and Treasurer Ernest M. Orr. Member Michael H. Kurtz was absent. Also present were Authority Manager/Recording Secretary J. Richard Fulcher, Authority Solicitor Bradford J. Harris, water consultant Jeff Bologna of Becker Engineering and Borough Water Department Supervisor Jesse Kern.

Chairman Johnson reconvened the meeting.

Consultant Bologna reported that the official answer from the PA DEP is that the proposed Solar farm at the Borough's wastewater treatment plant by Solar Renewables is not allowed to be placed over a Wellhead Protection Area. This area depending on the well situation can be up to 400 feet.

For Well 3 on the northwest corner of the wastewater treatment plant property, it results in almost a 200 foot circumference. This eliminates about 80 percent of the

area proposed to be used for the project. DEP did not specify any particular chemical or list of potential toxins in the panels.

Manager Fulcher stated he discussed this with Solar Renewables and it is mutually understood the project will not proceed.

Chairman Johnson then thanked the members who attended the auction of the three lots held on June 9<sup>th</sup>. The Solicitor was also there. He believes it was successful and asked member Vescovich who was also in attendance with him, members Schnader and Kurtz to comment.

Member Vescovich stated his notes show that of the three lots sold, the first one along Gault Road sold for \$181,000; the second one along Gault Road sold for \$160,000; and the separate one along Ranck Road sold for \$123,000. He also feels these were good prices for the Authority; totaling \$464,000 gross.

Solicitor Harris stated that at this time he thinks the closing at least for the two lots on Gault Road will be towards the end of this month. The other one may take a little longer as he is awaiting something formal from the state Game Commission confirming it abandoned the Rank Road lot a good number of years ago for radio tower use.

Consultant Bologna stated there is one Change Order present for approval today on the new well project. He also noted that in continuing to wait for the replacement Starter Motor there will again have to be a formal time extension Change Order but they will catch up with this as the Motor arrives. It is currently scheduled to be shipped June 20<sup>th</sup>; noting these delivery times are still not reliable.

Due to an incorrect specification by the project's design engineer who specified a one faucet sink for the sampling use, there is an adjustment to be made. A proper sampling sink needs separated hot and cold water outlets in what is called a utility tub. The mechanical contractor, Contract 3 is to replace the sink with the proper sampling sink. This is at an additional cost of \$1,498.00 to the contractor. The Mechanical engineering firm however was made aware of the error, and they have reduced the monthly engineering related inspection costs the equivalent of \$1,498.00, which will save the Borough that cost. This will balance out overall in the inspection related costs paid by the Borough.

Jack Schnader then made the motion that Change Order #6 for Contract 3 be approved, contingent upon the noted condition that the additional cost of the

\$1,498 be reduced for the Borough’s monthly inspection related costs. This was seconded by Lee Vescovich and passed.

<u>C.O. #</u>	<u>Contract</u>	<u>Reason</u>	<u>Cost</u>
6	3	Change sink to utility tub	+\$1,498

Lee Vescovich made the motion that the bills be paid as prepared. This was seconded by Jack Schnader and passed. The bills were:

Woodlawn Replacement tree at Groff Park	\$569.00 Ck#1568
Jacobs Tree Surgery, Inc. Grind stump and plant four trees at Groff Park	\$2,080.00 Ck#1569
Walabax Construction, Inc. Contract I, AFP #19	\$10,193.50 Ck#1571
Good & Harris, LLP Property Sales, Attend Authority meetings	\$1,734.00 Ck#1572
Becker Engineering Well Head Protection Area/Map; Verizon—Diller	\$2,192.50 Ck#1573

Chairman Johnson reminded members that the next regular meeting is on the second Tuesday of July, the 12<sup>th</sup>.

There being no further Agenda business nor public comment, the meeting adjourned at 8:52 a.m.

July 12, 2022  
Date Approved