

**WALLACE TOWNSHIP MUNICIPAL AUTHORITY
JANUARY 10, 2012**

The Wallace Township Municipal Authority meeting of Tuesday, January 10, 2012, was called to order at 7:00 PM in the Municipal Building by Mrs. D'Angelo.

Members present: Barbara D'Angelo,
 Steve DePedro
 Tom McClung
 Roger Irej

Also in attendance: Matt Boggs, Entech Engineering
 J. Keath Fetter, Esq., Wetzel Gagliardi & Fetter LLC
 Brian Norris, Clean Water, Inc.
 Anthony DiRousso and Joe Spece, Site Specific
 John R. Miller

REORGANIZATION

Mr. DePedro nominated Barbara D'Angelo as Chairman of the Authority for 2012. Mr. Irej seconded the nomination, and it was unanimously approved.

Mrs. D'Angelo nominated Steve DePedro as Vice Chairman of the Authority for 2012. Mr. Irej seconded the nomination, and it was unanimously approved.

Mrs. D'Angelo nominated Roger Irej as Authority Secretary for 2012. Mr. DePedro seconded the nomination, and it was unanimously approved.

Mr. Irej nominated Tom McClung as Authority Treasurer for 2012. Mr. DePedro seconded the nomination, and it was unanimously approved.

Mrs. D'Angelo moved to reappoint J. Keath Fetter, Esquire, of Wetzel Gagliardi & Fetter LLC, as the Authority's Solicitor for 2012. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to appoint Matthew Boggs of Entech Engineering, Inc., as the Authority's Consulting Engineer for 2012. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to reappoint Robert C. Bezgin as the Authority's Auditor for 2012. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to defer appointments to the Engineering and Finance Committees until needed. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to reappoint Jan Bednarchik as the Authority's Recording Secretary for 2012. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to designate National Penn Bank, Downingtown National Bank, and Citadel Federal Credit Union as the Authority's depositories and to designate the Chairman and Tom McClung as alternate, secondary signatories on the Authority's bank accounts, with Mrs. Bednarchik serving as the primary signatory. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to reestablish the meeting schedule for 2012 on the second Tuesday of the month at 7:00 PM in the Municipal Building. Mr. DePedro seconded the motion, and it was unanimously approved.

PUBLIC COMMENT

None.

MINUTES

On a motion by Mr. DePedro, second by Mr. Irey, the meeting minutes of December meeting were unanimously approved as written.

CORRESPONDENCE

1. Clean Water, Inc., dated 1/08/12, re: Operator's monthly report for Glen Moore.
2. Clean Water, Inc., dated 1/08/12, re: Operator's monthly report for Highspire.
3. J. Keath Fetter, Esq., dated 1/06/12, re: Solicitor's monthly report.
4. Entech Engineering, Inc., dated 1/10/12, re: Engineer's monthly report.
5. PennDOT, dated 12/29/11, re: copy of executed Master Casting Agreement for period ending September 30, 2014.

TREASURER'S REPORT

The following bills were presented for consideration:

- a. Verizon - **\$171.28** for phone @ operations bldgs. (Glen Moore & Highspire)
- b. Clean Water, Inc. - **\$2,965.00** for operator services @ Glen Moore & Highspire (December)
- c. Jan Bednarchik - **\$1,133.89** for secretarial services (December) and reimbursement for 2-year renewal of Norton anti-virus for Authority computer
- d. PECO - **\$1,834.47** for electric @ main pump station & Devereux (\$893.84) and Highspire (\$940.63)
- e. Analytical Laboratory - **\$1,739.65** for lab testing @ Glen Moore (\$647.05) and Highspire (\$1,092.60)
- f. Entech Engineering - **\$1,472.50** for engineering services (11/26-12/30/11)
- g. Swartz Campbell - **\$150.00** for legal services (December)
- h. Ink's Disposal Service - **\$1,772.50** for cleaning main & Devereux pump stations; pumping grinder pump tanks and flushing force main; pump EQ & clarifier tank

- at Highspire; and pump main to repair check valve & clean Brandywine Hill pump station
- i. Deckman Electric - **\$1,810.00** for new Hydromatic 3hp grinder pump
 - j. USA BlueBook - **\$91.40** for stainless steel nipple
 - k. Pipe Xpress, Inc.. - **\$655.01** for pipe, fittings for stock
 - l. J. Lewis Excavating - **\$665.00** for repairing broken nipple @ 1811 Creek Road; install new check valve and new shut off valve with riser pipe
 - m. Wallace Township - **\$2,304.10** for reimbursement for 2012 general liability and property insurance premiums
 - n. DynaTech - **\$1,501.27** for service calls to generators @ Glen Moore WWTP, Highspire WWTP and pump station
 - o. Eagle Hardware - **\$13.56** for mouse traps/poison (for Highspire generator)
 - p. H.A. Thomson Co. - **\$234.00** for Treasurer's Bond renewal
- TOTAL: \$18,513.63**

Mr. DePedro moved to approve invoices "a" through "p" above for the month of January, as presented. Mr. McClung seconded the motion, and it was unanimously approved.

OPERATOR'S REPORT

Brian Norris of Clean Water, Inc., attended the meeting to give his monthly report as follows:

Glen Moore WWTP

There were no violations of permit conditions in December.

The only emergency call during the month was a result of the rain event on December 7. This prompted the attempt to flush the force main using pressured water from Fairview Road toward Park Lane. The Operator mentioned there have been occasions during significant rain events when the collection system seems unable to take the water as rapidly as needed. Some buildup was noted in one pipe at the low end of the system, and the Operator will continue to monitor this situation.

Spray irrigation continues as weather permits.

DEP inspected the plant a few weeks ago and found no problems.

The grinder pump survey was completed. Copies were distributed electronically to the Authority members, and a hard copy was presented for the file.

In anticipation of the grinder pump replacement program, the Operator expressed a word of caution to the contractor to take care when removing the existing grinder pumps from the tank because the plastic nipples outside the tank can break easily. If these nipples have to be replaced, it will add a significant cost to the project.

Mr. DePedro questioned why the corroded metal chains in the grinder pump tank are not being replaced when the grinder stations are rehabbed. Mr. Norris replied that the Little Giant pumps don't require chains, so they are not part of the rehab. However, the original chains need to remain in place to support the back side of the tank lid. He also pointed out that deficiencies observed during the tank survey, such as improperly installed junction boxes, were noted in the final report.

Highspire WWTP

There were no violations of permit conditions in December.

The generator had to be serviced due to rodent damage. DynaTech has ordered new ribbons for inside the control box. Openings in the unit will be secured and traps/poison were placed inside the units.

DEP inspected the plant a few weeks ago and found no problems. However, DEP will issue a new DMR to reflect the name and address change.

The Operator will be using small electric heaters again this winter rather than the propane units due to the ventilation/mold issue reported last year.

SOLICITOR'S REPORT

Keath Fetter, Esq., attended the meeting to give the monthly Solicitor's Report as follows:

Fourth quarter user fees remain unpaid from Brian Baum, David Bright, John Hammond, James Jenks, David Larkins, Nancy McDonaugh and James Trego. Municipal claims will be filed in the latter part of January against those accounts that remain unpaid at that time. In addition, the claim filed against Noreen Major for the third quarter user fees has been paid, and an Order to Satisfy will be filed.

Mr. Fetter advised there is an existing Township ordinance and Authority resolution from 2005 stipulating that property owners are fully responsible for ownership and maintenance of their grinder pumps, except that the grinder pumps in the Glen Moore system were expressly excluded from this provision. Therefore, the first step to be able to turn over ownership of the grinder pumps in the Glen Moore system will be to amend Township Ordinance No. 127, followed by an amendment to Authority Resolution No. 05-3. In addition to removing the exception for the Glen Moore system, both documents also need to be amended to add a provision giving the Authority the power to access the property to deal with any emergency situations that may arise. The existing ordinance and resolution state that the Authority will have spare pumps on hand for emergency replacement within 24 hours, but do not give the Authority the power to access the property. Mr. Fetter will coordinate with the Township Solicitor on the specific language needed for the ordinance amendment.

Former Township Supervisor John Miller questioned the Authority's proposal to turn over the grinder pumps to the property owners. He said the Board of Supervisors made a commitment to the homeowners when the public sewer system was first built that the Municipal Authority would take responsibility for maintaining the grinder pumps, and now the Authority is coming back twenty years later and putting the responsibility for maintenance on the people who bore the original expense of the system. Mr. Irey made reference to the recent grinder pump survey which shows the majority of the grinder pumps are in extremely poor condition, and explained the proposed plan is to do a complete rehab before turning the pumps over to the homeowners. He has been researching the E-One pumps to make sure the upgrades will be improved with the latest technology, and suggested that an annual maintenance program may also be implemented. Mr. Miller commented that, if the new grinder pumps are so good, then the costs to operate and maintain them should be negligible. Mr. DePedro explained that user rates have not increased accordingly to pay for the upgrades, and the pumps are now at the end of their useful life. Mrs. D'Angelo also pointed to the results of the recent rate study which indicate that a significant rate increase is necessary to keep up with rising costs and to fund a capital reserve account, but the rate increase would be much less if the grinder pumps are turned over to the homeowners.

Mr. Fetter also addressed the public bidding requirements applicable to contracts for services for construction, including labor and materials. If the total costs exceed a base amount of \$18,500, the Authority must publicly bid the project and accept the lowest responsible bidder. The Authority may not evade the provisions of the competitive bidding requirement by making a series of purchases or contracts, or several simultaneous ones, in order to keep the amount of each one under the bidding limit. However, the Authority may publicly bid a contract to purchase just the pumps, and is entitled to reject a bid if it is not of like kind, quality or material to what was specified. The Authority could then publicly bid a contract to install and service the pumps, specifying that any replacement parts be original E-One parts. The public bidding requirement does not apply to the purchase of patented and manufactured products offered for sale in a noncompetitive market or solely by a manufacturer's authorized dealer. This exception does not apply to the E-One pump since the patent has expired. Mr. Boggs noted there may be another manufacturer with a product similar to the E-One pump, but the bid would require other manufacturers to submit product information two weeks before the bid opening for the Engineer's approval as an equivalent product. A pre-bid meeting would also be mandatory. The Authority discussed bidding the project as a complete package and, additionally, with the pumps and installation as separate components to see which bidding method produces the better result. Mr. Boggs also mentioned that prevailing wage rates will apply and will add to the cost of the project.

The Authority acknowledged that the users need to be fully informed about the change that will be taking place before the Township Ordinance is amended. However, there is still a great deal of information that needs to be obtained first in order to be able to answer all the questions from the public. Mr. Irey said customers will need to know the specifics about the E-One grinder pump, the warranty period and what happens after the warranty period, the average cost for a service call, etc. Mr. DePedro expressed some concern that customers will be limited to one

contractor for maintenance and repairs if the E-One pump is selected. Mr. Spece clarified that customers are not tied to Site Specific for repairs and maintenance because PreDOC and Aqua also service their pumps, and they have trained municipal employees to service their pumps. He said service calls are typically handled within one-half to one hour, and technicians carry all parts to be able to do repairs on the spot. Site Specific averages between \$40-45 per pump on a service call, and the pumps average ten years between service calls. Extended warranties and service plans are offered, although they sell very few extended warranties. If the entire unit needs to be replaced, then customers would have to contact Site Specific. Mr. Spece said the manufacturer has granted Site Specific a great discount for Wallace Township at \$1,900 for the pump, regardless of the number of pumps purchased. In comparison, the current list price for the complete package with a new pump and control panel is \$2,753 without installation. Their labor cost is \$85/hour, although prevailing wage rates will add to the cost. The total retrofit can be completed within 3-4 hours.

Mr. DePedro inquired whether the tanks are capable of handling the rebuilds, and expressed particular concern about the existing lids being supported by corroded metal chains. Mr. Spece said Site Specific does a large number of retrofits and has replaced lids, as needed, upon prior approval of the municipality. Mr. Irey asked for an opinion of the E-One pump from an engineering perspective, and Mr. Boggs said he is fully behind retrofitting the tank and moving forward with the E-One pump. He had not given consideration to the possibility that some lids may need to be replaced, and will consult with the Operator to determine whether a certain number of lids will need to be included in a bid package.

Mr. McClung said the Authority needs to quantify what the actual savings will be if the grinder pumps are turned over to the homeowners, especially if the Authority continues to do some routine cleanings, and added that the capital reserve also needs to be built up for replacement of other system assets in the coming years. The Chairman agreed that the economics need to be fully explored and understood before moving forward, but added that continuing to spend \$3,000 to partially rehab a grinder station does not make good economic sense. The Engineer will move forward on preparing the project specs and obtaining information on financing options. A work session will also be scheduled with David Busch of Keystone Alliance Consulting to review the rate study in greater detail and come up with a definitive comparison of what the user rate will be if the Authority continues to own and maintain the grinder pumps versus the homeowner owning and maintaining the pumps. Mr. Miller stressed the importance of showing the users what is being done to keep costs down, explaining the benefits of the new grinder pump and the availability of a service contract and extended warranty to make the change and rate increase more palatable. He also suggested the possibility of a surcharge for the tank cleanings.

ENGINEER'S REPORT

Dankanich – The contractor (Jack Burt) will be delivering the spare pump to the Township Road Foreman shortly. Jack Burt also recommended spare parts needed for future repairs including 1-1/4 inch HDPE pipe and compression fittings. Construction and engineering costs for the project have been obtained for calculating the tapping fee for any future connections.

Asset Management Plan –David Busch provided an electronic copy of his formal report related to the rate study. Entech has reviewed the report and it appears to match the verbal presentation that David provided to the Board at the November meeting. Entech believes that Mr. Busch has completed his work unless the Board desires to have him attend another meeting to further review the findings.

Purchase of E-One Grinder Pumps for Glenmoore system – Based on discussions at the December meeting, contact was made with Anthony DiRousso from Site Specific for references concerning their responsiveness for field calls. Mr. DiRousso delivered references which are being checked. In response to the Authority's desire to replace the grinder pumps in bulk, the public bidding requirements were researched and contact was made with the Authority Solicitor. Different scenarios were reviewed with the Solicitor and Authority Secretary. The Authority has an option of seeking a bond or a bank loan. At the current time, a bank loan may make more economic sense. Entech has utilized the services of Scott Kramer with RBC Capital Markets in the past to perform the research on the different options and can perform the comparisons for the Authority.

2011 Chapter 94 Reports – Entech has begun compiling the operational data from 2011 for development of the Chapter 94 Reports for both Glen Moore and Highspire. Engineering Work Orders work submitted to formally authorize Entech to proceed with this work. The Work Orders will be signed by the Authority Chairman.

OLD BUSINESS

Action on the 2012 budgets was deferred until such time as the costs and funding options for the grinder pump replacement program are known.

NEW BUSINESS

PennDOT returned a fully executed copy of the Master Casting Agreement for a three year period beginning October 1, 2011, through September 30, 2014.

ADJOURNMENT

The meeting adjourned at 9:00 PM. The next meeting is Tuesday, February 14, 2012.

Respectfully submitted,

Jan C. Bednarchik
Secretary