

**WALLACE TOWNSHIP MUNICIPAL AUTHORITY
DECEMBER 14, 2010**

The Wallace Township Municipal Authority meeting of Tuesday, December 14, 2010, was called to order at 7:07 PM in the Municipal Building by the Vice Chairman.

Members present: Barbara D'Angelo, Chairman [arrived at 7:20 PM]
 Steve DePedro, Vice Chairman
 Roger Irey
 Tom McClung

Also in attendance: Steve Riley, Entech Engineering
 Matt Bogdan and Claudia Galeas, Exelon Energy

PUBLIC COMMENT

None.

MINUTES

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

EXELON ENERGY PROPOSAL

Matt Bogdan and Claudia Galeas of Exelon Energy attended the meeting to present a proposal to supply electric generation and transmission service when rate caps are lifted on January 1, 2011. PECO would still remain the distribution company. The Exelon proposal offered a 1-year fixed rate of 0.09053, including gross receipts tax, and a 2-year fixed rate of 0.09111. The 2-year rate is slightly higher because Exelon is assuming the risk of unpredictable energy costs in the future. These rates will remain the same regardless of how the usage may fluctuate. The savings to the Authority is estimated at approximately \$30 per month based on PECO's current price to compare, which is subject to change every three months. Ms. Galeas stressed the importance of choosing a local, long term supplier with financial stability and a high level of community involvement. She presented a sales agreement for the Authority's consideration and noted that PECO has a 16-day cut-off period before the next meter read date to change suppliers. In order to implement the rate change on the next billing cycle, the signed agreement would need to be returned to Exelon by noon on Friday, December 16.

CORRESPONDENCE

1. Clean Water, Inc., dated 12/12/10, re: Operator's monthly report for Glen Moore.
2. Clean Water, Inc., dated 12/12/10, re: Operator's monthly report for Highspire.
3. J. Keath Fetter, Esq., dated 12/13/10, re: Solicitor's monthly report.
4. Entech Engineering, Inc., dated 12/13/10, re: Engineer's monthly report.
5. Michael Crotty, Esq., dated 12/09/10, re: request for documentation related to Authority's claim against LTL for reimbursement of expenses at 159 Indiantown Road.
6. PMAA Newsletter dated 11/23/10.

TREASURER'S REPORT

The following bills were presented for consideration:

- a. Verizon - **\$167.16** for phone @ operations bldgs. (Glen Moore & Highspire)
- b. Clean Water, Inc. - **\$2,530.00** for operator services @ Glen Moore & Highspire (November)
- c. Jan Bednarchik - **\$639.71** for secretarial services (November)
- d. PECO - **\$1,950.71** for electric @ main pump station & Devereux (\$1,327.24) and Highspire WWTP and pump station (\$623.47)
- e. Analytical Laboratory - **\$275.25** for lab testing (Glen Moore & Highspire)
- f. Entech Engineering - **\$3,215.07** for engineering services (10/30 – 11/26/10)
- g. Swartz Campbell - **\$675.00** for legal services (November)
- h. Ink's Disposal Service - **\$1,145.00** for cleaning main & Devereux pump stations; pump tank @ 1781 Creek Road; pump equalization & clarifier tanks & haul sludge @ Highspire
- i. PreDOC - **\$570.00** for replacing 3hp pump w/2" discharge line @ 1781 Creek Rd.
- j. Martindale Propane - **\$664.07** for propane delivery to Highspire WWTP
- k. Eagle Hardware - **\$17.48** for HVAC vent tape & foam insulation for piping in Lakeside screen @ Highspire
- l. Wrigley's Office Supply - **\$114.67** for toner, paper
- m. Wallace Township - **\$800.00** reimbursement for 2010 property insurance premium

TOTAL: \$12,764.12

Mr. DePedro moved to approve invoices "a" through "m" above as presented. Mr. Irej seconded the motion, and it was unanimously approved.

OPERATOR'S REPORT

Glen Moore WWTP

There were no violations of permit conditions in November.

There were four emergency visits in November: 1881 Creek Road (bad contactor), 20 Ashlea Drive (bad float), 33 Ashlea Drive (bad float), and 660 Fairview Road (bad float). Operator noted that a deck was built overtop of the grinder tank at 660 Fairview Road, and it was necessary to damage some boards to gain access to tank.

The spray fields were harvested for the final time. Rain events and an equipment repair delayed the harvest; therefore, spray irrigation was halted for a time.

Charles Deckman provided a quote to either repair or replace the 3hp pump from 1781 Creek Road, and the Operator awaits direction from the Authority on how to proceed.

Highspire WWTP

There were no operational problems to report.

Condensation from the propane heat is causing rust and mold problems. Therefore, the propane heat has been shut off and small electric space heaters are now being used. Mr. Riley mentioned that he and the Authority Secretary visited the plant and confirmed the ceiling and walls are sweating profusely, and mold is growing in the chemical room. The problem does not appear to be related to the gutters being clogged with leaves. Mr. Riley will consult with one of the mechanical engineers at Entech about the problem, but also suggested contacting Heritage since they still own the plant.

SOLICITOR'S REPORT

The only delinquent account for the third quarter is James Trego. Delinquent notices for the fourth quarter were sent to Baum, Hammond, Heritage-Highspire, RKR Real Estate (for late fees owed), Seckinger, James Trego, and Marie Trego. Municipal claims will be filed on those accounts which remain unpaid after January 6. The third quarter user fees for James Trego will be combined with the claim for the fourth quarter.

A complaint was filed in Magisterial District Court against LTL Consultants for reimbursement of the Authority's expenses resulting from LTL's failure to properly inspect the grinder pump installation at 159 Indiantown Road. A hearing is scheduled before Judge Cabry on January 11, 2011, at 1:15 PM. Township Solicitor Michael Crotty, has requested copies of all documents relevant to the claim to justify the grounds of the suit and to enable the Township to assist in attempting to resolve the dispute.

Mr. Fetter requested reappointment as Authority Solicitor for 2011.

ENGINEER'S REPORT

Dankanich – There was no activity on this project during the month.

Asset Management Plan – All electrical systems for the original Glen Moore system were added to the list of Authority assets, along with replacement cost pricing. A meeting was held with Philip Tiewater and the Authority Secretary on 12/10/10 to review the next step in the process. Mr. Tiewater will be making edits to the spreadsheet in order to continue the data entry.

Glen Moore Groundwater Monitoring Report – Authority Secretary has provided data requested to compile the groundwater monitoring report. The report will be submitted in January, which will make the December operational data available to complete the calendar year as well as the final round of sampling for the monitoring wells.

Claim against LTL – The hearing date is on the schedule, and Entech will be available to support the Authority as needed.

Glen Moore Lagoon Stormwater Runoff – Joe Lewis will work with Duane Hammond to install rip-rap to fill in the areas where erosion has occurred between the two lagoons once the ground is frozen. Mr. Riley will place flags in the areas that are most critical.

Sludge Measurement – Novozymes, the company that took sludge measurements in the lagoons last August, submitted a report confirming there is a maximum of one foot of solids. Mr. Riley commented this is a very good result after eighteen years of operation. Therefore, the use of their biological product to reduce overall sludge production is not warranted at this point in time.

Grinder Pump Inventory – As requested at the last meeting, Mr. Riley sorted the grinder pump inventory by the year each pump was installed and last replaced or rehabbed. The results show that slightly more than fifty percent of the original grinder pumps from 1992 remain in operation.

Springton Manor Elementary School – Mr. Riley also submitted a report on the water usage at Springton Manor Elementary School from September 1, 2008, through November 30, 2010. The data shows usage remains steady and is well within the capacity reserved by the Downingtown Area School District. Therefore, Mr. Riley suggested discontinuing any further tracking of water usage at the school.

Highspire Estates Capital Reserve Fund – Mr. Riley reviewed the original calculations prepared by Dan Shoemaker for the capital recovery fund at Highspire Estates to see whether the fund is on target or perhaps ahead of schedule to allow for a possible reduction in the quarterly user fee. Mr. Shoemaker prepared the budget on a straight line item basis listing the original cost of each improvement, projected life span, and annual replacement cost. The capital reserve fund is a fixed rate of \$49,000 per year, but it will not be known whether the fund is ahead of schedule until the first piece of equipment reaches the end of its useful life. Mr. Riley noted that, while the figures are conservative and the calculations do not take accruing interest into account, the bottom line is the capital recovery fund is on target. There is no easy answer to the question of whether the quarterly user fee could be reduced to offer some relief to the customers without a more thorough analysis. Philip Tiewater will be asked to take a look at the Highspire Estates calculations and plug in the asset management planning formulas to determine whether the user rate can be reduced.

OLD BUSINESS

A hearing in the civil complaint filed against LTL Consultants has been scheduled for Tuesday, January 11, 2011, at 1:15 PM.

The proposal from Exelon Energy to become the new electric generation supplier was discussed. The Authority decided to research other options first to see whether other suppliers could offer a better rate. Mr. McClung volunteered to spearhead this effort.

The draft budgets for the Glen Moore and Highspire Estates Wastewater Treatment Plants were discussed. The Authority decided against an increase in the quarterly user rate pending receipt of the asset management plan within the first few months of the new year. Mr. DePedro moved to

adopt the budgets for the Glen Moore and Highspire Estates Wastewater Treatment Plants and to approve Resolution No. 10-1, a resolution establishing the quarterly user fee rates for 2011 at \$125/EDU for Glen Moore and \$381.25/EDU for Highspire Estates. Mr. Irey seconded the motion, and it was unanimously approved.

A realtor recently contacted the Authority Secretary to inquire whether a sewer connection for the property at 80 Indiantown Road is mandatory. The realtor represents the prospective buyer, and the sewer issue will impact the final sales price on a pending agreement of sale. Mr. Riley noted that the planning module application submitted to the PaDEP on behalf of several property owners on Indiantown Road will allow the property to connect to the public sewer system, but a sewer connection is not mandatory.

Deckman Electric submitted a quote to repair the 3hp pump from 1781 Creek Road at \$2,445 plus \$625 for a new discharge pipe, check valve and guide kit. The quote included the cost for a new 3hp pump at \$4,058.60 plus the \$625 for new discharge pipe assembly and freight. The Authority decided to purchase a new pump since the cost to repair was more than half the cost of a new pump, and it will be one more new pump ready to eventually be turned over to the property owner.

The Operator recently responded to an emergency call at 10 Marty Close Road and discovered that the rubber gasket on the hub outside of the tank is leaking and allowing surface water to enter the tank. Since the hub is on the homeowner's side of the tank, he questioned whether it would be the homeowner's or Authority's responsibility to repair. Mr. Irey recalled that the Authority originally provided the hub, but it was the owner's responsibility to purchase the rubber gasket and install the hub. The Authority determined that the homeowner is responsible for the repair because the hub is on the homeowner's side of the tank. The Operator will be advised to be on alert for this type of leak when he responds to other emergency calls to determine whether this may be or may become a more widespread problem.

ADJOURNMENT

The meeting was adjourned at 8:55 PM. The next meeting and annual reorganization is Tuesday, January 11, 2011, at 7:00 PM.

Respectfully submitted,

Jan C. Bednarchik
Secretary