

WALLACE TOWNSHIP MUNICIPAL AUTHORITY
MAY 8, 2012

The Wallace Township Municipal Authority meeting of Tuesday, May 8, 2012, was called to order at 7:00 PM in the Municipal Building by the Chairman.

Members present: Barbara D'Angelo, Chairman
 Steve DePedro, Vice Chairman
 Tom McClung
 Roger Ireby

Also in attendance: Matt Boggs, Entech Engineering
 J. Keath Fetter, Esq., Wetzel Gagliardi & Fetter
 Michael Wolf, Boenning & Scattergood
 David Busch, Keystone Consulting
 Tim O'Neill, Esq., Lamb McErlane

BID OPENING

The bid opening for the grinder pump replacement project was held as duly advertised in the Daily Local News on March 28 and April 5, 2012. Four bids were received from the following contractors: Site Specific, Inc., Blooming Glen Contractors, Inc., Aqua Resources, and Stan-Roch Plumbing, Inc. The bids were opened and read by the Chairman, and a complete bid tally sheet is attached and made a part of these minutes. Mr. Boggs will review the bids for completeness, check references, and will make a recommendation to the Authority on whether or not to award the contract. The Authority has sixty days to either make an award or decide not to award. The financing of the grinder pump project will be discussed later in the meeting.

PUBLIC COMMENT

None.

MINUTES

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

CORRESPONDENCE

1. Clean Water, Inc., dated 5/07/12, re: Operator's monthly report for Glen Moore.
2. Clean Water, Inc., dated 5/07/12, re: Operator's monthly report for Highspire.
3. J. Keath Fetter, Esq., dated 5/07/12, re: Solicitor's monthly report.
4. Entech Engineering, Inc., dated 5/04/12, re: Engineer's monthly report.

TREASURER'S REPORT

The following bills were presented for consideration:

- a. Verizon - **\$162.58** for phone @ operations bldgs. (Glen Moore & Highspire)

- b. Clean Water, Inc. - **\$2,305.00** for operator services @ Glen Moore & Highspire
- c. Jan Bednarchik - **\$693.00** for secretarial services (April)
- d. PECO - **\$1,680.87** for electric @ main pump station & Devereux (\$949.42) and Highspire WWTP and pump station (\$731.45)
- e. Analytical Laboratory - **\$149.15** for lab testing (Glen Moore & Highspire)
- f. Entech Engineering - **\$11864.01** for engineering services (3/31/12 – 4/27/12)
- g. Wetzel Gagliardi & Fetter LLC - **\$885.00** for legal services (April)
- h. Ink's Disposal Service - **\$1,031.00** for cleaning main and Devereux pump stations; pump grinder pump tanks for repair; pump EQ tank, clean clarifier tank @ Highspire
- i. PreDOC - **\$845.00** for service calls @ 71 Park Lane, 664 Fairview Road, and 131 Park Lane
- j. W.G. Malden - **\$34.00** for charts for chart recorder
- k. J. Lewis Excavating - **\$2,816.50** for repairing broken nipple @ 131 Park Lane; labor and materials to install new water line @ Glen Moore WWTP
- l. Shane Rutherford – **\$1,377.50** to repair pump at Highspire WWTP
- m. Deckman Electric - **\$3,765.00** for rebuilding 7.5hp pump @ Devereux pump station; and rebuilding 2hp pump
- n. G. Bauer Pest Control - **\$93.50** for mosquito treatment @ lagoons
- o. DynaTech - **\$1,389.31** for repairing ribbons in generator @ Highspire WWTP
- p. Postmaster - **\$110.00** for stamps

TOTAL: \$29,201.42

Mr. DePedro moved to approve invoices “a” through “p” above for the month of April, 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 April.

There were two emergency visits in April: 1911 Creek Road (bad float) and 2120 Creek Road (bad control board). PreDOC replaced a pump at 131 Park Lane with a rebuilt Hydromatic from stock. The pump at 664 Fairview Road was also replaced. This is the address that had two blown fuses in the basement. The owner was asked to switch the fuses over to a breaker. PreDOC also replaced a bad float at 71 Park Lane. The Operator noted this address has a different pump configuration than the others, and the E-One pump may not fit easily into the tank as it is presently configured. Mr. Boggs mentioned that he visited this grinder station with Site Specific after the pre-bid meeting, and they were able to devise a simple solution to address this situation.

Joe Lewis installed a new water line to the well at the treatment plant. He also repaired a broken nipple following the pump replacement at 131 Park Lane.

Deckman rebuilt a Hydromatic pump to keep in stock for emergency situations that may arise before the grinder pump project is complete. Otherwise, a complete Little Giant rehab would be required.

Spray irrigation is ongoing. The initial cut and harvest will be done at the end of May.

Monitoring well samples will be collected later this month.

Highspire WWTP

Ink's Disposal hauled sludge.

A high level alarm occurred after the recent heavy rain storm. No problems could be found at the plant. The Operator surmised this condition may have occurred due to an open lateral from new home construction. This condition will be monitored.

Joe Lewis assisted Shane Rutherford with replacement of the well pump. The old well pump was drawing high amps, and the lines and pressure reducer were clogged with sediment and mud. The Operator stated this well has been problematic in the past. If problems persist, he suggested exploring the use of recycled water. Mr. Boggs will contact the Operator to obtain more information about the history of this well pump.

SOLICITOR'S REPORT

User fees for the first quarter remain unpaid from Nancy McDonough and James Trego. Municipal claims will be filed this week.

An amendment to the Brandywine Hill Reservation of Capacity Agreement for the additional EDU of capacity was prepared and forwarded to Rouse/Chamberlin (R/C). R/C has signed the amendment and has forwarded it to the Authority along with a check for the tapping fee for the additional EDU. The amendment is ready for signing on behalf of the Authority.

Multiple communications have been held with bond counsel Tim O'Neill, Esq., of Lamb McErlane PC, regarding potential issues with the grinder pump project.

ENGINEER'S REPORT

Purchase of E-One Grinder Pumps – A mandatory pre-bid meeting was held on 4/17/12 with 15 attendees representing 11 potential bidders. Site visits were made for clarification on the duplex pump arrangements and electrical requirements. Two Addendums were later issued to address questions that arose as a result of the pre-bid meeting. Bond Counsel's assessment of tax exempt status was reviewed.

Brandywine Hill Pumping Station – Communication was held with Steve Gallo of R/C Homes regarding the escrow for the additional building lot.

Highspire Estates WWTP – Subdivision plans were reviewed regarding connection of two Wadsworth lots to the WWTP. Preliminary as-built plans were provided to Rouse/Chamberlin.

OLD BUSINESS

Mr. DePedro moved to approve the First Amendment to the Reservation of Capacity Agreement for the purchase of one additional EDU of capacity for the 19th building lot at the Brandywine Hill Subdivision and to authorize its signing by the Chairman. Mr. Irey seconded the motion, and it was unanimously approved. Rouse/Chamberlin paid the tapping fee of \$5,321.28 for the additional building lot, and these funds will be deposited in the escrow account.

The Annual Audit is currently underway.

Statement of Financial Interests Forms were due May 1, 2012.

NEW BUSINESS

Joe Lewis suggested that a storage shed be purchased for storing excess materials for emergency repairs due to the lack of storage space at the Glen Moore WWTP. The Authority will take this suggestion under advisement since extra storage may not be a concern once the grinder pump project is completed.

GRINDER PUMP REPLACEMENT PROJECT

Tim O'Neill, Esq., previously provided a memorandum questioning whether the grinder pump project qualified for tax exempt funding. Mr. O'Neill has since concluded that the project does qualify for tax exempt funding since both Township Ordinance No. 127 of 2005 and Authority Resolution No. 05-3 stipulate that the property owner shall be responsible for "*providing, maintaining, operating, repairing and replacing*" the grinder pump and lateral. Mr. Wolf reported that financing proposals have been received from four local banks, and he will continue to work toward a final term sheet with the seemingly best offer. All four banks have agreed to finance more than the amount needed for the grinder pump project, and all have agreed the Authority can make period draws on the loan and pay interest only on the amount drawn. The loan will have a fixed rate for seven years, after which it will reset every five years. Mr. O'Neill will proceed to prepare all the necessary financing documents to be filed with the Department of Community and Economical Development (DCED). A special meeting of the Authority will be scheduled for Monday, June 4, to discuss and accept the final financing proposal from the bank, determine the amount of the borrowing, and hear the presentation from David Busch on the user rate adjustment needed to finance the project and establish a capital reserve fund. Mr. O'Neill will provide the Board of Supervisors with an Ordinance approving the Guaranty Agreement to be considered for adoption at their next meeting on Thursday, June 7. The Township Ordinance, Guaranty Agreement, and other financing documents and proofs of publication will be filed immediately thereafter with DCED, and DCED then has twenty days to issue an approval. The Guaranty cannot be issued until DCED has granted approval. Due to the chronology of events and meeting schedules, settlement on the loan will not likely occur before the first week of July.

Mr. Fetter will coordinate with the Township Solicitor on amending Township Ordinance No. 127 by removing the subparagraph that currently excepts the Glen Moore system from the maintenance provisions in the ordinance. The Authority will amend its companion grinder pump resolution as soon the Township ordinance is amended. Mr. DePedro mentioned the Authority will need to put together the cost information to be presented to the homeowners because they are currently unaware of the impending project and policy change. Mr. Busch will perform a cost analysis once the final interest rate and engineering and construction costs are known to show that the project needs to be done and will save money in the long term and to determine what the user rate will be. Once the cost analysis is complete, the Authority will have all the information needed to schedule a public meeting for presentation to the customers.

Mr. O'Neill pointed out that the Grinder Pump Ordinance and Resolution require the Authority to have some emergency grinder pump units available, so some protocol needs to be established for distribution of these pumps once the warranty on the new pump has expired. Mr. Boggs explained that the homeowner would call Site Specific, the exclusive franchisee for the E-One grinder pump, to service their pump. Site Specific will respond within six hours and bring replacement parts to fix the pump on site. If they cannot fix the pump on-site, they will install a temporary pump to keep the system operating and take the old pump back to the factory for repair or a determination that it is irreparable. The Authority will be available in the event that Site Specific or any other approved contractor is unavailable, and the Authority's Operator will install the backup pump, as needed, until the homeowner's pump is repaired. The cost of the service call will be billed to the homeowner.

Mr. Boggs inquired whether extra monies will be available for unforeseen costs that may arise, such as repairs to the discharge nipple that may break during removal of the existing pumps, and for extra work at the plant to take advantage of the low interest rate. Mr. Busch replied that it is perfectly appropriate to have a contingency fund built into the loan. Mr. O'Neill also stated that the loan agreement will require the successful bank to allow the Authority to draw down whatever funds are needed within the first complete year, but not drawn down any remaining funds that are not borrowed. The loan documents can be written to include grinder pumps and "related capital expenditures" that may be contemplated for the Glen Moore WWTP such as raising the berms around the lagoons or replacing the fencing.

Mr. Boggs also relayed a concern expressed by the prospective contractors at the pre-bid meeting about needing the cooperation of homeowners in shutting off power to the grinder pump unit to allow the work to proceed and then restoring power to test the unit. Mr. Irey offered his services as a liaison between the contractor and the homeowners to foster cooperation and avoid delays. It was noted that an electrical inspection will be performed by the Township Building Inspector, and an inspection fee of \$60 per unit is included in the bid.

Highspire Estates (a.k.a. Rorke/Wadsworth Subdivision)

Josh Rorke and James Wadsworth attended the meeting to discuss the means for connecting Mr. Wadsworth's lot (Lot 63) to the Highspire Estates WWTP. Mr. Rorke reminded the Board that Mr. Wadsworth and Heritage did a land exchange for the original subdivision whereby

Mr. Wadsworth received two building lots, identified as Lots 61 and 62 on the final plan. The Sewage Construction Agreement requires Lots 61 and 62 to pay a user fee when they are connected to the system, and requires Mr. Wadsworth to connect his own residence on Lot 63 before selling it to a third party. Rouse/Chamberlin is equitable owner of Lots 61 and 62 as of today, and is currently in the process of locating the sewer laterals. A review of the as-built plan does not indicate that a lateral was installed for Lot 63. Mr. Wadsworth explained that he has no plans to move at this time. However, since the development is currently in its final stages, he requested permission to share the lateral with Lot 61 rather than wait and disturb the public street at a later date and at greater expense. Rouse/Chamberlin is amenable to a shared connection and has agreed to keep the trench open to allow Mr. Wadsworth to stub in a connection for his property. Mr. Boggs mentioned that Steve Riley has spoken to Steve Gallo of Rouse/Chamberlin and recommended they televise the line to determine how many laterals exist and how close they are to the existing manhole. Mr. Boggs would like the engineering department at Entech to have an opportunity to review and comment on the proposed connection site. Mr. Fetter also advised that an easement would be necessary if the lateral to Lot 63 crosses another property, and that the easement should be of sufficient width to provide a planting buffer. He recommended that Rouse/Chamberlin draw up the easement, if needed. Contingent upon a favorable recommendation from the Authority Engineer and an easement, if necessary, the Authority had no objections to a shared lateral for Lots 61 and 63.

ADJOURNMENT

The meeting adjourned at 8:35 PM. The next regular meeting is Tuesday, June 12, 2012.

Respectfully submitted,

Jan C. Bednarchik
Secretary