

**WALLACE TOWNSHIP MUNICIPAL AUTHORITY
JUNE 12, 2012**

The Wallace Township Municipal Authority meeting of Tuesday, June 12, 2012, was called to order at 7:12 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
 Steve Riley, Entech Engineering
 J. Keath Fetter, Esq., Wetzell Gagliardi & Fetter
 Brian Norris, Clean Water, Inc.

PUBLIC COMMENT

None.

MINUTES

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

CORRESPONDENCE

1. Clean Water, Inc., dated 6/10/12, re: Operator's monthly report for Glen Moore.
2. Clean Water, Inc., dated 6/10/12, re: Operator's monthly report for Highspire.
3. J. Keath Fetter, Esq., dated 6/11/12, re: Solicitor's monthly report.
4. Entech Engineering, Inc., dated 6/08/12, re: Engineer's monthly report.
5. Entech Engineering, Inc., dated 5/21/12, re: preliminary punch list for Highspire Estates.
6. Entech Engineering, Inc., dated 5/31/12, re: final punch list for Highspire Estates.

TREASURER'S REPORT

The following bills were presented for consideration:

- a. Verizon - **\$173.09** for phone @ operations bldgs. (Glen Moore & Highspire)
- b. Clean Water, Inc. - **\$2,125.00** for operator services @ Glen Moore & Highspire
- c. Jan Bednarchik - **\$1,263.20** for secretarial services (May) and postage
- d. PECO - **\$1,634.72** for electric @ main pump station & Devereux (\$870.17) and Highspire WWTP and pump station (\$764.55)
- e. Analytical Laboratory - **\$294.90** for lab testing (Glen Moore & Highspire)
- f. Entech Engineering - **\$5,344.15** for engineering services (4/28/12 – 5/25/12)
- g. Wetzell Gagliardi & Fetter LLC - **\$3,249.00** for legal services (May)
- h. Ink's Disposal Service - **\$610.00** for cleaning main and Devereux pump stations; pump grinder pump tank @ 1941 Creek Road
- i. PreDOC - **\$1,354.23** for service call @ 1941 Creek Road

- j. USA BlueBook - **\$87.64** for flags/paint to mark utility lines
 - k. Wrigley's Office Supply - **\$199.93** for office supplies
 - l. Deckman Electric - **\$725.00** for rebuilding Hydromatic grinder pump
 - m. G. Bauer Pest Control - **\$93.50** for mosquito treatment @ lagoons
 - n. Larry Hepner - **\$342.00** for 2012 Crop Management Plan for Glen Moore WWTP
 - o. Wallace Township - **\$1,300.00** for mowing both treatment plants
 - p. Postmaster - **\$90.00** for stamps
 - q. Daily Local News - **\$86.59** for legal notice re: special meeting on 6/04/12
- TOTAL: \$18,972.95**

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

OPERATOR'S REPORT

Brian Norris attended the meeting to report on operational issues for the month of April as follows:

Glen Moore WWTP

There were no violations of permit conditions in April.

There were no emergency visits in May. However, PreDOC was called to rehab the duplex unit serving the store/apartment building at 1941 Creek Road following another sewage backup onto the neighboring property owned by William Grier. Last year, J. Lewis Excavating excavated around an abandoned cesspool on the Grier property and found two lines coming into it from the store/apartment building. These lines were filled with concrete and capped. It now appears there may be another line or lines connected to the cesspool that have not been abandoned. The Operator mentioned the grinder station is situated approximately 30-40 feet behind the building, and trying to locate these sewer lines would involve extensive restoration of the macadam driveway. After consultation with the Authority Engineer, PreDOC was called to televise the line to look for cracks or additional discharge lines coming into the grinder station. They found excessive debris approximately ten feet into the line and have recommended that the line be flushed and cleaned to improve visibility. The Operator said it may be necessary to artificially create an overflow situation to see what is occurring, but he also questioned whether it is the Authority's or homeowner's responsibility to pay for these costs. The Authority agreed that its responsibility ends at the grinder station and that significant effort has been made to correct the situation. Therefore, Mr. Boggs will obtain a quote from PreDOC to jet the line, which will be forwarded to the property owner along with a directive and deadline for taking corrective action.

One of the aerators recently came loose and was lodged against the side of the lagoon. The Operator reported there was no damage to the aerator, and it has been reattached using poly rope. He prefers the poly rope to the original stainless steel cable because it is easier to maneuver the aerators into place.

Spraying has ceased in preparation of the fields being cut and harvested.

Ink's Disposal has begun to clean the influent pump station more frequently because the warmer temperatures cause the grease mat to build up faster. G. Bauer Pest Control has been contacted to apply algae control chemicals to the lagoons.

Mr. DePedro asked whether there are items at the treatment plant that will need to be replaced within the near future. The Operator recommended purchasing a spare spray pump to be kept in rotation with the original spray pumps. The cost of a 30hp spray pump is approximately \$7,500, and the average life expectancy is 20 years. The teak baffle in the polishing lagoon has some loose boards, but it may not be worthwhile investing money in a repair since the purpose of the baffle is unknown. He also recommended installing rip-rap around the entire perimeter of the lagoons, but this work needs to be coordinated when the lagoon levels are low. A new roof on the operations building may also be needed in the next few years.

The Operator advised he has two Hydromatic pumps and one Little Giant pump in stock, but only has one spare 3hp pump for rotation. In the event of an emergency, the 3hp pumps are not readily available. He mentioned there are two 3hp pumps that could be sent to Deckman's Electric for evaluation depending on the timeline of the grinder pump project. The Operator was authorized to have one 3hp pump rebuilt for a spare. In addition, all future grinder pump replacements going forward will be a complete rehab with an E-One pump. Mr. Boggs will contact Site Specific to determine whether their original quote is still valid for emergency rehabs, and to inquire about their emergency response time.

Highspire WWTP

Flows have increased as more homes are occupied. As a result, sludge wasting has increased, and Ink's Disposal will need to perform sludge hauling more frequently.

The Operator met with the Engineer to review the remaining items for dedication. No problems were noted with the major equipment, but there are some issues with corrosion. The door facing the plant is not able to be locked and needs to be added to the punch list. The Operator again mentioned that gutter guard needs to be installed because of the location in the woods.

G. Bauer Pest Control will be asked if they can spray weed killer inside the fence at the treatment plant.

SOLICITOR'S REPORT

Mr. Fetter attended the meeting to give the Solicitor's Report for May as follows:

Delinquent notices for the 2nd quarter were sent to: Brian Baum, David Bright, Ken Dempsey, John Hammond, David Larkins, Bryan McDonough, Nancy McDonough, Stephen Souden, and James Trego. Municipal claims will be filed in August against those accounts that remain delinquent.

John Maczonis of Heritage Building Group has requested a staff meeting with both the Township and Authority to discuss the work remaining at Highspire Estates. Heritage has received final punch lists from both the Township and Authority of the items necessary to be completed for dedication. Mr. Maczonis has indicated that Heritage has obtained proposals from contractors to complete this work, but he has not provided copies of the proposals. Gia Raffaelli, Heritage's attorney, has indicated there may not be enough money remaining in escrow to complete the work indicated on the punch lists or for the maintenance bond Heritage is required to provide at the time of dedication. Ms. Raffaelli also indicated that Heritage's lender will refuse to advance any funds beyond the amounts remaining under the existing letters of credit. Therefore, Heritage is requesting a meeting with representatives of the Township and the Authority to discuss how they propose to deal with the situation. Mr. Fetter voiced no objection to such a meeting involving the engineers and, if necessary, the solicitors, but suggested that Matt Boggs obtain copies of the contractor proposals in advance in order to be adequately prepared for the meeting. Mr. DePedro asked whether Rouse/Chamberlin could be held responsible for the remaining work and/or maintenance bond. Mr. Fetter will need to obtain a copy of the agreement between Heritage and Rouse/Chamberlin, but doubted Rouse/Chamberlin could be held liable. Mr. Riley confirmed the amount remaining in the Authority's escrow should be sufficient to complete the punch list items. He questioned whether the maintenance bond is critical in this case since construction has taken so long and the equipment warranties have expired with no ill effects. Mr. Fetter recommended the Authority follow the lead of the Township in working through these issues with Heritage.

Mr. Fetter participated in numerous communications, document reviews and meetings related to the grinder pump project and offered comments about the how the Authority's presentation was received by the Supervisors at the meeting on Thursday, June 5, based solely on his conversation afterward with Tim O'Neill. He also offered comments on the June 11th email from David Busch. Mr. Fetter noted that the Township guaranty obligates the Township for the entire amount of the loan, not just the interest. He also stated his impression that the future responsibility for maintaining, repairing or replacing the grinder pumps is an important issue for the Supervisors. The Supervisors want to know what it is going to cost the users and whether it is fair to transfer the maintenance, repair and replacement responsibility to the users. The Chairman commented that the Board's decision on the guaranty would be easier to make if the Authority continued to maintain the pumps, but the Supervisors still want to know why the Authority wants to borrow that amount of money, why all the pumps need to be replaced at once, and what the sentiment is among the system users after being fully informed of all the alternatives.

In reviewing the various scenarios presented in Mr. Busch's spreadsheet, Mr. Fetter said there is only a \$30/year difference in the user fee by the year 2018, if the homeowners maintain the pumps at an annual user rate of \$607, versus maintaining the status quo at an annual user rate of \$637. The missing component in these estimates is the amount needed for a capital reserve, and the only way to show the full picture and explain a big difference in the numbers is to add the capital reserve. The Authority may not be able to propose a full capital reserve, but can make a

reasonable projection as to how much of a capital reserve component in the annual user fee is affordable for the residents. The option of eliminating the plan to turn over the maintenance responsibility to the homeowners was discussed to try to alleviate some of the concerns of the Supervisors. A question arose as to whether there is a certain amount of money the Authority could borrow on its own without requiring a guarantee by the Supervisors. Mr. Fetter will pose that question to the financial advisors. The Authority then discussed at length various options for moving forward with the grinder pump project. It was concluded that the financial projections needed to be reassessed to take into account the number of grinder pumps that have been rebuilt recently and have a greater life expectancy than the original pumps, and to include a capital reserve component. In addition, if a smaller loan amount can be obtained, with or without municipal support, the project could be amended to rehab only the grinder stations having original pumps. Mr. Boggs noted there are approximately 56 original pumps remaining in the system, according to the recent survey. In the alternative, if a loan cannot be secured, the Authority could budget to increase the number of grinder pump rehabs per year within the parameters of the bidding requirements and complete additional rehabs on an as needed basis. An increase in the user fee would cover the additional rehabs and begin to fund a capital reserve. It was also concluded that all grinder rehabs going forward will be complete rehabs with the E-One grinder pump, and that the policy on misuse of the grinder pump system must be strictly enforced.

A work session will be held on Monday, June 18, at 10:00 AM to put together the presentation to the users at the public meeting on Tuesday, June 26. Mr. McClung will review the financial information and develop different scenarios for grinder pump replacement by comparing varying amounts of borrowing, Authority versus homeowner maintenance, replacing 25 or 50 pumps per year, all 150 pumps at once, or only replacing pumps as they fail, and the impact on user fees under each of these options, with and without a capital reserve component. Mrs. D'Angelo will review the history of the plant and the asset management plan and rate study undertaken by the Authority to guide the financial decisions for dealing with the aging system. Site Specific also plans to attend the public meeting to talk about the new E-One grinder pump.

ENGINEER'S REPORT

Purchase of E-One Grinder Pumps – The bid opening coincided with the Authority's May meeting. Work included review of project bid results and preparation of the bid tabulation. Reference checks were made and additional information was obtained on the low bidder. Bid results were communicated with the Authority Solicitor.

Brandywine Hill Pumping Station – There was no activity for the month of May.

Highspire Estates WWTP – As-built plans were reviewed in preparation for a walk-through which occurred on 5/25/12 with the Operator. A letter was prepared regarding punch list items. The original Rorke/Wadsworth plans were reviewed for lateral connections for the three Wadsworth lots.

Grinder Pump @ 1941 Creek Road – A site visit was held with the Operator to review the duplex grinder pump at this address, which overflows onto the neighbor's property. Last year, work was done to cut the existing lateral lines to a cesspool on the neighbor's property and cap them with concrete. Arrangements were made with PreDOC to televise the lines.

OLD BUSINESS

An invitation was sent to all customers to attend an information meeting on Tuesday, June 26, at 7:00 PM in the Township Building to hear a presentation about the proposed grinder pump replacement project.

NEW BUSINESS

The Secretary received an inquiry about whether a sewer connection is available for the 12.9 acre lot on Indiantown Road. The caller was informed that, although the force main was extended along Indiantown Road, the subject property is not located within the defined Sewer Service Area. Therefore, a request would have to be made to the Board of Supervisors to amend the Township's Act 537 Plan to include the property in the Sewer Service Area, and a request for a planning exemption waiver would have to be submitted to the PA Department of Environmental Protection for approval. A tapping fee would include some reimbursement to the original five property owners for a proportionate share of the construction costs.

The PMAA Annual Conference is scheduled for August 26-29 at Hershey Lodge & Convention Center.

ADJOURNMENT

The meeting adjourned at 9:30 PM. The next regular meeting is Tuesday, July 10, 2012.

Respectfully submitted,

Jan C. Bednarchik
Secretary