

**WALLACE TOWNSHIP MUNICIPAL AUTHORITY
NOVEMBER 13, 2012**

The Wallace Township Municipal Authority meeting of Tuesday, November 13, 2012, was called to order at 7:10 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

PUBLIC COMMENT

None.

MINUTES

Mr. DePedro moved to approve the minutes of September 11, 2012, and the minutes of the special meetings held on March 22 and June 4, 2012, as written. Mr. Ireby seconded the motion, and it was unanimously approved.

CORRESPONDENCE

1. Clean Water, Inc., dated 11/11/12, re: Operator's monthly report for Glen Moore.
2. Clean Water, Inc., dated 11/11/12, re: Operator's monthly report for Highspire.
3. J. Keath Fetter, Esq., dated 11/12/12, re: Solicitor's monthly report.
4. Entech Engineering, Inc., dated 11/09/12, re: Engineer's monthly report.
5. PNC Bank, dated 10/19/12, re: non-extension notice on letter of credit for operating reserve escrow @ Highspire Estates, which expires 12/31/12.

TREASURER'S REPORT

The following bills were presented for consideration:

- a. Verizon - **\$180.48** for phone @ operations bldgs. (Glen Moore & Highspire)
- b. Clean Water, Inc. - **\$2,170.00** for operator services @ Glen Moore & Highspire
- c. Jan Bednarchik - **\$1,376.70** for secretarial services (October) & postage
- d. PECO - **\$1,670.20** for electric @ main pump station & Devereux (\$794.02) and Highspire WWTP and pump station (\$876.18)
- e. Analytical Laboratory - **\$1,091.45** for lab testing (Glen Moore & Highspire)
- f. Entech Engineering - **\$10,369.26** for engineering services (9/29-10/26/12)
- g. Wetzel Gagliardi & Fetter LLC - **\$390.00** for legal services (October)
- h. Ink's Disposal Service - **\$1,143.00** for cleaning main and Devereux pump stations; tank @ 15 Ashlea; pump EQ tank & clean plant @ Highspire
- i. G. Bauer Pest Control - **\$93.50** for mosquito & algae treatment @ lagoons
- j. DNB First - **\$67.33** for interest on loan

- k. J. Lewis Excavating - **\$1,747.50** for enlarging parking area & prep for shed; repair broken nipple @ 1870 Creek Road
- l. PreDOC - **\$1,672.00** for service calls on grinder pumps (15 Ashlea Drive, 71 Park Lane, 1870 Creek Road); and troubleshoot pump @ pump station, replace pump
- m. J.T. Seeley & Co. - **\$639.75** for control system for Glenmoore pump station
- n. Mull's Electric - **\$2,663.70** for troubleshooting controls & replace pump #2; install alum. wet well rack, repair guiderails & float rack; install new conduits & wiring to control panel
- o. Martindale Propane - **\$385.69** for propane for generator @ Highspire WWTP
- p. USA BlueBook - **\$145.44** for stainless steel nipples for stock; V-belt for Highspire
- q. Eagle Hardware - **\$10.99** for trash bags
- r. Deckman Electric - **\$540.00** for float switches for stock
- s. Brookside Structures - **\$1,945.00** for storage shed, including delivery
- t. Laurel Printing - **\$318.00** for printing letterhead, vouchers, envelopes
- u. Postmaster - **\$90.00** for postage

TOTAL: \$28,709.99

Mr. DePedro moved to approve invoices “a” through “u” above for the month of November, as presented. Mr. Ireys seconded the motion, and it was unanimously approved.

OPERATOR'S REPORT

Glen Moore WWTP

There were no violations of permit conditions in October.

There was one emergency visit in October: 50 Marty Close Road (bad contactor). Joe Lewis repaired a broken nipple at 1870 Creek Road. PreDOC pulled and replaced an old Hydromatic pump at 530 Fairview with another Hydromatic from stock.

Spray irrigation was limited to allow the farmer to cut and harvest the crop. Lagoon levels are adequate for this time of year.

Joe Lewis widened the parking area and prepared a pad site for the storage shed.

The influent pump station has been problematic, possibly as a result of Hurricane Sandy. PreDOC was contacted to install the spare pump, and they will also be providing a new controller. The other influent pump kept tripping the entire control panel and was taken to Deckman Electric for repair. The pump station is currently operating on one pump. Mull's Electric upgraded the junction box for the pumps and will replace the control system.

The phone lines to the treatment plant and pump station are currently inoperable and may also have been impacted by the hurricane. Verizon has been contacted to restore phone service.

Mr. Irej asked the Authority Engineer to investigate the situation at the pump station to determine what happened to the pumps and the control system. It was also recommended that he obtain a schematic of the electrical work completed by Mull's Electric for the Authority's records and contact Deckman Electric to inquire about the warranty on the rebuilt pump. The phone line to the pump station needs to be restored as quickly as possible to enable the Chatterbox autodialer to report a high level alarm. Mrs. Bednarchik confirmed that a repair ticket has been issued by Verizon. Mr. Irej suggested looking into a wireless system for reporting high level alarms rather than rely on a phone line that becomes inoperable during power outages.

Highspire WWTP

Martindale Propane filled the tanks for the generators. Ink's Disposal did some cleanup at the plant and hauled sludge. There were no additional operational issues to report.

SOLICITOR'S REPORT

Third quarter user fees remain unpaid on the Nancy McDonough and James Trego accounts only. A municipal claim is being filed against the McDonough property. A realtor has indicated the Trego account will be paid off in approximately sixty days, and has requested that further liens be delayed for the time being in order to save costs. The Solicitor will move forward with filing and executing on a writ of scire facias against the McDonough property. He requested permission to hire an investigator to try to locate Mrs. McDonough so the paperwork can be served in person. The cost is approximately \$300 and would be recoverable in the Sheriff's sale proceeding. Mrs. D'Angelo moved to authorize the Solicitor to engage the services of a private investigator to try to locate Mrs. McDonough. Mr. McClung seconded the motion, and it was unanimously approved.

The municipal claim against the Clements property in Highspire Estates has been paid, and an Order to Satisfy has been filed.

ENGINEER'S REPORT

Purchase of E-One Grinder Pumps – Construction commenced on 10/22/12 with approximately thirty-five pumps installed to date. The contractor is now completing four upgrades per day. The contractor and inspector have not noted any problems with residents. Two instances of failed check valves have been noted. The inspector is on site about 3-4 hours per day, and he is taking photos for documentation. John Koch, Code Enforcement Officer for Wallace Township, noted an electrical issue with mixed metals in the E-One control panel. It has been confirmed that switching out the jumper cable will not void the warranty. The grinder pump at 9 Ashlea Drive was removed from the replacement list after it was realized the pump was replaced last year. Another address will be chosen as a replacement site. Payment Applications #1 and #2 have been processed and approved for payment.

Spare Spray Pump – The spare influent spray pump has been ordered. Delivery is anticipated for mid-December.

Highspire Estates WWTP – Communication has been ongoing with Heritage and Pikeland Construction regarding punch list items. As-built plans for the collection and conveyance system have been reviewed and approved. A letter was issued stating that all punch list items have now been satisfactorily completed, and a recommendation was made for approval of an escrow release request for the as-built plans and engineering/legal fees. Approximately \$9,800 will remain in the escrow account to serve as the 18-month maintenance bond. It is anticipated that Heritage will soon be submitting the deed of dedication and other documents specified in the Sewer Construction Agreement for review and approval by the Authority Solicitor.

Glenmoore WWTP Lagoon – The second phase of the lagoon erosion/wave protection has not commenced due to weather and scheduling. This work may need to be postponed until next year because spray irrigation is limited over the winter months, and the lagoon levels will not be low enough for the work to be done.

Glenmoore WWTP/Devereux Pumping Station Upgrades – The Operator has recommended the rail assembly, supports and brackets for the submersible pumps at both the Glenmoore and Devereux pumping stations be replaced. Equipment costs have been obtained from J. T. Seeley. Another upgrade for consideration is the installation of a French drain around the valve vault at the main plant, as was done at the Devereux pump station, to keep water out of the vault.

Customer letters – The draft letters discussed at last month's meeting to Howard Lowman, regarding 1971 and 1975 Creek Road, and to RUKA Properties, regarding 1941 Creek Road, were issued on 10/19/12.

Indiantown Road Force Main Extension – As-built plans were received from Hydraterra for this job and will be reviewed later this month. Entech will scan the as-builts and provide two hard copies and an electronic version of both the Indiantown Road force main extension and Highspire Estates for the Authority's files.

Wadsworth Sewer Connection – A site visit was made with James Wadsworth to discuss his preference for connecting to the sewer system. Mr. Wadsworth wants to utilize the contractor currently working on the connection for Lots #61 and #62, and he would prefer to connect to the existing clean-out for Lot #61. By doing so, he would not need an easement from Lot #61, and the length of the shared lateral would be minimal. The connection would be performed by excavating down to the tee for the clean-out located adjacent to the right-of-way and is to be constructed by removing the portion of the 6" vertical clean-out PVC pipe and replacing it with a 6" by 6" tee, which will be the terminus for the Lot #63 lateral. The lateral for Lot #63 would extend parallel to Brittany Lane, within the road right-of-way, and an additional clean-out would be constructed within the right-of-way prior to the lateral extending onto the Wadsworth lot. Mr. Boggs recommended this method of connection as the most sensible, in lieu of disturbing the pavement and core-drilling into the manhole, and will also minimize any issues in the future.

The Authority Solicitor confirmed the Sewage Construction Agreement does not require a tapping fee to be paid for Lots #61, 62 and 63. Mr. Wadsworth joined the meeting at this time to discuss the proposed connection and his concern about disturbing some large trees on his property. He stated he has no intention of connecting his property at this time and understands that the future buyers are entitled to a good septic system. Mr. Wadsworth indicated that he also has the option of putting in a new drain field for his existing on-lot septic system rather than connecting to the public sewer. This is contrary to the Authority's understanding of the original Agreement with Heritage and will be verified with the Authority Solicitor. The Chairman advised that quarterly user fees will be billed if the lateral is extended more than ten feet beyond the right-of-way. Mr. Wadsworth requested written confirmation of the approved method of connection to give to his plumber to proceed with the lateral connection. Mr. Boggs will prepare a letter for this purpose and will arrange for the work to be inspected.

Storage Lagoon – Tom D'Lorimier of Tatman & Lee Associates (now URS Corporation) was consulted about the baffle in the storage lagoon. Mr. D'Lorimier confirmed the baffle is necessary between the two cells of the storage lagoon, and cautioned that care should be taken when replacing it because the lagoon has a clay liner. Mr. Boggs suggested a weighted baffle be used for replacement.

OLD BUSINESS

Mr. DePedro moved to approve Payment Application #1 & #2 submitted by Stan-Roch Plumbing, Inc., for work completed to date on the 2012 grinder pump replacement project and to approve submission of the requisition to DNB First for reimbursement of these expenditures. Mr. Irey seconded the motion, and it was unanimously approved.

Mr. DePedro moved to approve Escrow Release #21 to Heritage Building Group in the amount of \$9,944.60 for the as-built plans and engineering and legal services related to Highspire Estates, upon the recommendation of the Authority Engineer. Mr. Irey seconded the motion, and it was unanimously approved.

Mr. Boggs will present an updated Request For Proposals for Operator services at the December meeting. He will also revise the Authority's Standard Specifications to reflect the change in the grinder pump model from Little Giant to E-One.

Draft budgets for both the Glenmoore and Highspire systems were presented for review and discussion. The draft budget for Glenmoore anticipates an estimated cash balance of \$102,500 as of 12/31/12, excluding the three Certificates of Deposit, plus user fee income of \$150,150 and additional miscellaneous income for a total projected revenue of \$256,650 in 2013. The expenditures related to the grinder pump replacement project and other capital improvements are expected to be paid in 2012. The total expenditures for 2013 are \$244,960, which includes interest and principal payments required under the Loan Agreement as well as a contribution of \$62,000 to the Capital Reserve Fund. The total net income as of 12/31/13 would be \$11,690.

Mr. McClung explained that the original Capital Reserve Study identified the current balance of \$185,000 in the money market account and three certificates of deposit, plus the loan balance of \$300,000 and the 2013 contribution of \$62,000 to the capital reserve fund as the total capital reserve. The grinder pump replacement plan that was finally chosen was dependent upon a quarterly user fee of \$169, but the Authority decided to go with a quarterly user fee of \$150 and utilize funds in the money market account and/or certificates of deposit to pay for the capital that wasn't borrowed. Mr. McClung wanted the members to be aware that the draft budget proposes the use of funds earmarked as capital reserve to pay for operating expenses, which would create a net loss of about \$20,000. Therefore, the Authority will need to closely monitor the capital reserve in order to be able to replace items in accordance with the Asset Management Plan. A requisition will be submitted to DNB First for reimbursement of the invoices for the erosion control along the lagoon berm, parking lot improvements and pad site, and the new storage shed. Mr. DePedro also suggested making principal payments on the loan starting in January rather than waiting the thirteen months specified in the Loan Agreement in order to save interest charges.

The draft budget for Highspire is similar to the current year's budget and includes an estimated cash balance of \$50,000 in the operating account as of 12/31/12, plus user fee income of \$94,550 and additional miscellaneous income for a total projected revenue of \$146,800 in 2013. The total projected user fee revenue of \$94,550 is based on maintaining the current quarterly user rate of \$381.25/EDU for a total of 62 EDUs. The total expenditures are estimated at \$102,138, which includes the transfer of 54% of the user fee, or \$51,058, to the capital reserve fund. The total net income as of 12/31/13 would be \$44,661.76.

NEW BUSINESS

Matt Restaino of Constellation/Exelon Energy submitted an updated proposal for providing electric generation and transmission services for the Authority's four existing PECO accounts. These services are currently provided by Spark Energy. Mr. McClung did a rate comparison and recommended locking in for four years at Exelon's proposed rate of 8.2 cents per kilowatt hour. Mr. DePedro moved to accept the proposal from Constellation/Exelon Energy. Mrs. D'Angelo seconded the motion, and it was unanimously approved.

Mrs. Bednarchik brought up the subject of the impact of the recent user fee increase on Devereux because they have not received any of the correspondence sent to the residential customers about the rate increase, the capital improvements to the collection and treatment system, and the funding of a capital reserve account. She recalled that Devereux was originally billed on a metered basis. The Authority later discovered there was an error in the metered rate in the user fee resolution prepared by Tatman & Lee Associates, and Devereux was being undercharged. The Authority then changed Devereux to a flat rate customer based on a total of 80 EDUs of reserved capacity because they were contributing half the flow to the plant. Devereux has been paying \$3,333.33 per month based on the previous rate of \$125/EDU/quarter, and the monthly fee will increase to \$4,000/month at the new rate of \$150/EDU/quarter. A six month comparison of flow totals from the school versus total flows to the treatment plant shows that Devereux is

now contributing about one-quarter of the total flow due to growth within the service area and water saving measures instituted at Devereux. Mr. McClung mentioned that user fees paid by Devereux thus far have not included a capital reserve contribution. After lengthy discussion, the Authority determined that Devereux will continue to be billed based on the number of reserved EDUs.

ADJOURNMENT

The meeting adjourned at 9:15 PM. The next regular meeting is Tuesday, December 11, 2012.

Respectfully submitted,

Jan C. Bednarchik
Secretary