

WASHINGTON TOWNSHIP MUNICIPAL AUTHORITY
MINUTES
MARCH 18, 2010

CALL TO ORDER

The regular meeting of The Washington Township Municipal Authority was called to order by Chairman Michael Krestynick at 6:02 p.m. on Thursday, March 18, 2010, at the Washington Township Municipal Building. The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Michael Krestynick, David Davidson, John Wynne, Jr., Ernest Gehman, John Backenstose, Susan Brown, Administrator, Michael Setley, Esquire, Stuart Rosenthal, P.E., Gilmore & Associates, Inc. There were eleven (11) members of the public in attendance this evening.

Absent:

TAPING OF MEETING

The meeting was recorded as an aid in the preparation of the minutes. It was noted that no one was taping the meeting other than the Administrator this evening.

APPROVAL OF FEBRUARY 18, 2010 MEETING MINUTES

Mr. Krestynick asked for any questions on the minutes from the February Board meeting. A motion was made by John Wynne and seconded by David Davidson to approve the minutes, as prepared, for the February 18, 2010 meeting. **No public comments received.**

All ayes

TREASURER'S REPORT

Mr. Wynne directed the board members to the revised treasurer's report for the month ending February 2010. The only revision to the original report is the addition of a foot note on page 4.

The usual and customary related to the treasurer's report on page 5 there are almost \$45,000 in expenses. The increase is due to some March payments that are due for expenses that cover multiple months such as insurance and the quarterly water and sewer treatment expense to Bally Borough.

Mr. Wynne also reported the addition of \$1,430 was received from Woodstone Homes for inspection fees and the release of the Carl Bales escrow fund in the amount of \$5,000. and additional collections from billing for the month of February for almost \$7,800. This adds up to \$14,200 off-set by \$24,000 in expenditures for the month.

The amount reported in the foot-note on page 4 of \$71,500 should be \$72,930 which is the Woodstone payments of \$71,500 plus the \$1,430. The net change between this amount and the Spring Valley Village payment which was received in February \$13,260. Mr. Wynne thanked the Administrator, Sue Brown and also Doug Bleam for working with him and being very patient and understanding. Mr. Wynne continued to explain the money Spring Valley payment of \$86,190 should have been placed in the Sewer Revenue Fund and the money received from Woodstone Homes of \$72,930 should have been placed into the Support Fund. These transactions will be corrected in March.

PRESIDING OFFICER

- Mr. B.J. Gianguilio from H.A. Thomson & Co. was present this evening to cover the annual insurance review with the board and to make any necessary changes. It was noted the shed at the Treatment Plant should be removed from the coverage. There is an employee blanket bond in the amount of \$500,000 and it was noted this bond was no longer needed since there are no WTMA employees.
- Mr. Eric Williams from Spring Valley Village LLC was present this evening to discuss a proposed revision to the current take-down-schedule for Spring Valley Village for 2010. Mr. Williams explained the current take-down-schedule has placed them ahead of the developments progress of approximately 32 EDU's and 10 EDU's that are pre-paid. They are currently at a critical stage of development moving into the next phase and get the infrastructure ready, which take a tremendous cash outlay. At this point it is predicted only twenty-four (24) home will sell this year. The money they would spend to purchase the EDU's which they will not be needing this year could be channeled into the infrastructure costs in phase 2.

Mr. Setley stated this is a policy decision for the Board. Mr. Setley explained the trade off when the agreement was made was the Authority "locked up" the EDU's for the developer in exchange for a reduced rate tapping fee. Mr. Setley stated the developer could buy as they go however if they buy they are subject to the risk that the capacity is still available and also the cost of EDU's may have increased. Mr. Setley stated the options are hold them to the agreement, revise the take-down-schedule as requested, or allow them to purchase as needed but at the current EDU price of \$9700.

Mr. Williams stated he is only looking for a moratorium for 2010 and would resume the regular schedule for 2011 until all EDU's are purchased. Mr. Williams explained banks are not loaning money due to the economic conditions and if they do not continue with the next phase they are going to lose customers.

Mr. Setley asked when they would propose to purchase the 30 EDU's they are supposed to purchase in 2010 and Mr. Williams stated they would purchase 30 per year from 2011 and so on until all are purchased however if the Authority wanted to revise the schedule they could possibly purchase 33 per year until all are purchased.

Mr. Krestynick asked when the entire infrastructure would be complete in the next phase and Mr. Williams stated they are proposing to have settlements in that phase in August 2010. Mr. Setley explained what this means for the Authority is \$195,000 of funds that will not be received in 2010 which is an additional \$195,000 of funds being tapped from the Township Support Fund.

Mr. Wynne questioned Mr. Williams about other communities they own and some of these communities are more mature and have a better balance sheet and cash position than others and Mr. Williams agreed. Mr. Wynne asked if some inter entity borrowing in order to continue to pay the thirty (30) EDU's. Mr. Williams explained the banking industry is not giving loans for commercial properties and a manufactured house community is categorized as a commercial property. There is no money to be borrowed at this point and this property was not free to Spring Valley LLC, debt was incurred by the other companies to purchase this property. Mr. Wynne asked if there is any liquidity from the other LLC's to pay for the 2010 EDU's and Mr. Williams stated no there is not.

It was decided to meet with Mr. Williams to explore all options. The Administrator was directed to schedule a meeting with Mr. Wynne, Mr. Gehman and Mr. Williams to discuss this issue further.

ENGINEER'S REPORT

NPDES Permit Renewal:

There has been an exchange of correspondence with DEP upon issuance of the draft permit specifically with regard to the compliance schedule. DEP suggested we proceed with a three (3) year compliance schedule to meet the new permit requirements. On March 6, 2010 the permit appeared in the PA Bulletin which is the official publication of the permit limitations and also initiates the official thirty (30) day comment period from March 6th to April 5th is the comment period. Subsequent to that DEP will issue the final permit. There will be challenges meeting the new standards and there will be expenses to WTMA in order to meet those standards. Mr. Wynne questioned what we are looking at as far as dollars to meet the standards and Mr. Rosenthal explained the compliance has been broken into two (2) phases. If the requirements can be met in the first phase expenses will be relatively modest. One quote has been received in the amount of \$12,000 for the piping modification. The objective is to get the first phase modifications into place this year and see if the results are favorable however if the results are not favorable then there will be more modifications that will need to be made which will mean more expense going into 2011 and 2012. Mr. Wynne asked if there is any money available through the state and Mr. Rosenthal stated there is not.

Gehringer Farms:

The review letter has been issued subsequent to that the As Builts were revised and approved and delivered to the Authority. The Developer has requested dedication of phase 1 at the present time we have As Builts, a completed punch list and legal descriptions for the off road easements which puts us in the position of recommending

dedication. Gilmore will be issuing a letter outlining what is in place and what the maintenance bond requirement will be and Mr. Setley will need to work up the dedication paperwork for phase 1.

Sanitary Sewer Priorities:

On March 8, 2010 Mr. Rosenthal issued a letter to the Board with regard to a series of priority recommendations identified following a meeting with Mr. Maul at the Treatment Plant. It is recommended the Board review this list and work toward adopting a program to incorporate the recommendations. Mr. Wynne asked if there is outside money that could be used for these projects and Mr. Rosenthal stated no there is nothing that rises to the magnitude of being eligible for grant money, these are all maintenance items. Mr. Rosenthal's recommendation is to spread these items over several years due to budgetary constraints. Mr. Rosenthal stated the blower repair needs to take place and authorization should be given to move ahead with that. Mr. Davidson stated three quotes should be obtained for this repair work. It was questioned if the safety issues have been addressed at the facilities and it was stated by Mr. Moyer that the issues have not been addressed.

Mr. Setley stated the I & I issue needs to be addressed as well. Weinsteiniger has been identified as the biggest problem area. Mr. Rosenthal stated the Chapter 94 report flows are about 17,000 gallons a day higher than they were in 2008. In part that is due to more connections in 2009 but 17,000 gallons equates to about 85 additional connections and in reality there were only about 17 connections. The additional flow is attributed to I & I.

Mr. Rosenthal suggested generating a true priority program establishing cost and time frames. A committee consisting of David Davidson and Michael Krestynick will meet with Mr. Rosenthal to work on a more defined priority program.

Mr. Setley stated grant money may be used if someone like Boyertown or BMMA or some other sewer utility provider would apply for a grant to buy the system. If someone could possibly get a \$5.5 million dollar grant toward the purchase with the goal of regionalization it may make sense to do this. Mr. Setley stated it may be worth while to talk to some of the local agencies, however this would need to be done rather quickly since the grant money is only available for a certain period of time. Mr. Setley and Mr. Rosenthal will make some calls to see if there is any interest.

A motion was made by David Davidson and seconded by John Wynne to authorize BWM to obtain three (3) price quotes to complete the blower repair.

Chapter 94 Report:

Draft copies were provided to Board Members last month for review and comment. Mr. Rosenthal received no comments and the report will be sent to DEP.

Piping Modification:

Mr. Rosenthal stated a price quote has been received from Miller Pump for the piping modification for \$12,250. Mr. Maul met with someone today for a second quote. Three quotes are needed and if they are all over \$10,000 this will have to go out on bid. Mr.

Wynne questioned the working condition of Decanter #1 and Mr. Rosenthal indicated there is a problem with the Decanter that comes and goes which is related to the cold weather.

BWM REPORT

In the absence of Bob Maul the BWM report was presented by Chairman Krestynick. Mr. Maul is recommending the Authority purchase an automatic sampler.

Public comment:

Dave Moyer, Passmore Road, questioned when the last time the Authority purchased grease was. Mr. Moyer stated he feels the blowers have bearings and the bearings are bad because they have grease fittings and the fittings have not been greased.

SOLICITOR'S REPORT

Mr. Setley reported he and Mr. Steve Price appointed as special council by WTMA in the Barto Mall Inc. matter met last week with Mr. Mingey and his attorney. Mr. Setley stated they are not arguing that they are obligated to make a payment he just does not have the money and banks are not lending. Meetings will continue to try and reach some type of compromise or agreement that will meet both the Authority and Barto Mall Inc. needs. Mr. Wynne asked if it would be helpful for the Authority to approach the banks on behalf of the developer. Mr. Setley stated basically this is a similar situation as with Spring Valley Village and again WTMA could void the current contract and charge \$9700 per EDU and there is no guarantee of capacity to the developer but again it is not going to benefit the Authority to put any of the developers out of business. There will be ongoing discussions.

Mr. Setley also stated he has had several communications with the Township Solicitor Dan Becker and out of those discussions it was agreed a joint meeting between the Board of Supervisors and the WTMA may be beneficial to get everyone on the same page. Mr. Gehman stated the two boards need to communicate and Mr. Setley encouraged everyone to participate. Mr. Wynne asked if this will be a public meeting and it was stated yes it will be.

JOHN BACKENSTOSTE LEFT THE MEETING AT THIS TIME-7:12 P.M.

Chairman Krestynick questioned if a court date has been set for the R.A.T.S. case and the Administrator stated the lawyers are still working on the discovery information at this point.

NEW BUSINESS

- The joint meeting will be held May 20th at 7:00 p.m.
- Mr. Rosenthal will issue a letter with the maintenance bond requirements regarding the Gehringer Farms Phase I dedication of the sanitary sewer system
- A motion was made by John Wynne and seconded by Ernest Gehman authorizing the transfer of funds in the amount of \$5,468.40 from the Water Revenue Account

March 18, 2010

to the Sewer Revenue Account to reimburse the sewer account for water expenses for the year 2009.

UNFINISHED BUSINESS

- Act 537 Plan Updated review from John Weber, LTL Consultants for Washington Township. Mr. Weber's review of the Act 537 Plan Update summarizes the findings and recommendations of the report and does not take exception to anything. Mr. Weber addressed that the sewer service area is not defined. It was also noted the Charles Hoffman Sketch Plan has recently become active. Mr. Rosenthal explained that DEP will have comments and there will need to be revisions and the Township Engineer's comment regarding the sewer service area will be addressed at that time along with any other comments the township may have.
- Memo was sent to Board of Supervisors regarding the Act 537 Plan Update
- Hydrant Painting is ongoing
- Utility Billing monthly vs. quarterly. The Administrator stated it is unlikely that the Authority will go to monthly billing due to the added expense and also there are numerous issues with the current utility billing company. They continue to have staffing issues. Mr. Setley stated he has knowledge of another billing company, Dallas Data Systems, and stated other municipalities are quite happy with their services. Mr. Setley will contact Dallas Data and request a meeting with the Administrator to discuss what they have to offer. Mr. Gehman questioned why the billing is not done in house and it was explained that there is a substantial expense to update software and computer equipment to do in house billing. Mr. Wynne requested approval to work with the Administrator on exploring a more contemporaneous billing cycle. Mr. Wynne stated we have a lag of up to three months and factor in when the bill is due it is four months. Mr. Setley also stated when talking with other billing companies we should see what the difference would be between monthly and quarterly billing. The Board stated they had no objection to Mr. Wynne's request.
- Chairman Krestynick informed the Board that Mrs. Brown, at the Township's request, will no longer be working for the township 25% of her work day she will be contracted at 100% by the WTMA. This means Mrs. Brown will no longer be administering the Septic Management Program on behalf of the township. It was suggested that a letter be sent to DEP informing them of this change.

PUBLIC COMMENT

Anthony Holowsko, Rotelle Development, was present this evening to continue the discussion with respect to the Phase 2 Gehringer Project. Mr. Holowsko stated he came before this Board last month for suggestions of how to proceed with the project since negotiations have broken down with Mr. Treichler with respect to obtaining an easement across his property in order to connect to the sanitary sewer system. Mr. Setley stated the only thing the WTMA can do is condemn the property since it is for the purpose of a public sewer project. The Developer has made a good faith effort to try to purchase the property. Mr. Krestynick and Mr. Setley have attempted to talk to Mr. Treichler and there was no progress made. Mr. Setley explained the process involved with the

March 18, 2010

condemnation of the property. Mr. Holowsko stated they are willing to pay Mr. Treichler a fair price for the land. Mr. Setley stated Rotelle will need to pay the costs associated with the Declaration of Taking.

A motion was made by Michael Krestynick and seconded by John Wynne authorizing the Solicitor to complete the Declaration of Taking and send it to Mr. Treichler. **No public comments received.**

All ayes

Absent: John Backenstose

COMMUNICATIONS

- Response letter sent to Montco Fence dated 3/4/10

RESOLUTIONS

A motion was made by David Davidson and seconded by John Wynne to adopt all resolutions as stated on the March agenda and transfer funds in the amount of \$45,000.

No public comments received.

All ayes

Absent: John Backenstose

WATER PRESSURE COMPLAINT:

The Administrator explained a resident from 30 Lindy Drive complained of high water pressure at his residence. He claims his water filtering system, his hot water heater and the water line to refrigerator have been blown out due to the excessive pressure. He states he has place a pressure gauge on his water line coming into the house and claims the pressure is between 90 and 100 lbs. He feels it is the responsibility of the WTMA to correct this problem. Mr. Rosenthal stated Gilmore can run a pressure test at the nearest hydrant.

Mr. Rosenthal stated he received a phone message from Norman Wheeler with regard to water hookup. Mr. Rosenthal was directed to contact Mr. Wheeler and refer him to Bally Borough.

ADJOURNMENT

A motion was made by Ernest Gehman and seconded by John Wynne to adjourn the meeting at 7:48 p.m. **No public comments received.**

All ayes

Absent: John Backenstose

Respectfully submitted,

Secretary, David Davidson