

**WALLACE TOWNSHIP MUNICIPAL AUTHORITY
JANUARY 8, 2008**

The Wallace Township Municipal Authority meeting of Tuesday, January 8, 2008, was called to order at 7:00 PM in the Municipal Building by Mrs. D'Angelo.

Members present: Barbara D'Angelo
 Steve DePedro
 David Najim
 Tom Yuhas

Also in attendance: J. Keath Fetter, Esq., Swartz Cambell
 Steve Riley, Entech Engineering
 Joseph Riper, Esq., Riley Riper Hollin & Colagreco
 Mike Wodotinsky, Esq., Heritage Building Group
 John Maczonis, Heritage Building Group
 Paul Storck, Heritage Building Group

REORGANIZATION

Mr. Yuhas nominated Barbara D'Angelo as Chairman of the Authority for 2008. Mr. DePedro seconded the nomination, and it was unanimously approved.

Mr. Najim nominated Steve DePedro as Vice Chairman of the Authority for 2008. Mr. Yuhas seconded the nomination, and it was unanimously approved.

Mr. DePedro nominated Tom Yuhas as Authority Secretary for 2008. Mrs. D'Angelo seconded the nomination, and it was unanimously approved.

Mrs. D'Angelo moved to reappoint J. Keath Fetter, Esquire, of Swartz Campbell LLC, as the Authority's Solicitor for 2008. Mr. DePedro seconded the motion, and it was unanimously approved.

Mr. Yuhas moved to reappoint Steve Riley of Entech Engineering, Inc., as the Authority's Consulting Engineer for 2008. Mr. Najim seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to nominate Robert C. Bezgin as the Authority's Auditor for 2008. Mr. Najim seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to reappoint Steve DePedro and Tom D'Angelo to serve as members of the Authority's Engineering Committee and to reappoint Tom Yuhas to serve as a member of the Finance Committee. Mr. Najim seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to reappoint Jan Bednarchik as the Authority's Recording Secretary for 2008. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to designate National Penn Bank as the Authority's depository and to designate the Chairman and Tom Yuhas as alternate, secondary signatories on the

Authority's bank accounts, with Mrs. Bednarchik serving as the primary signatory. Mr. DePedro seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to reestablish the meeting schedule for 2008 on the second Tuesday of the month at 7:00 PM in the Municipal Building. Mr. Najim seconded the motion, and it was unanimously approved.

Mrs. D'Angelo moved to approve Resolution No. 08-1, a resolution affirming the quarterly flat rate user charge payable per Equivalent Dwelling Unit in the Glenmoore Sewer Service Area at \$125 and the quarterly flat rate user charge per EDU at Highspire Estates at \$381.25. The motion was seconded by Mr. DePedro and was unanimously approved.

MINUTES

On a motion by Mrs. D'Angelo, second by Mr. Yuhas, the minutes of the December meeting were unanimously approved as written.

CORRESPONDENCE

1. Clean Water, Inc., dated 1/01/08, re: Operator's monthly report.
2. J. Keath Fetter, Esq., dated 1/10/08, re: Solicitor's monthly report.
3. Entech Engineering, Inc., dated 1/13/08, re: Engineer's monthly report.
4. The Hankin Group, dated 12/12/07, re: transmittal of executed copies of Water Supply Agreement and First Amendment to Sewage Facilities Agreement for Hamilton project.
5. Pikeland Construction, dated 12/28/07, re: confirmation that sanitary sewage facilities at Brandywine Hill were constructed in accordance with approved plans and specifications
6. Entech Engineering to The Hankin Group, dated 1/02/08, re: preliminary equipment review for Hamilton project.

TREASURER'S REPORT

The following bills were presented for consideration:

- a. Verizon - **\$57.34** for phone @ operations bldg.
- b. Clean Water, Inc. - **\$1,400.00** for operator services (December)
- c. Jan Bednarchik - **\$962.99** for secretarial services (Dec) & reimbursement for virus software subscription for laptop
- d. Swartz, Campbell & Detweiler - **\$560.00** for legal services (December)
- e. Entech Engineering - **\$4,190.17** for engineering services (12/01 – 12/28/07)
- f. Analytical Laboratory Services - **\$635.80** for lab testing
- g. PECO - **\$1,276.58** for electric @ plant & Devereux pump station
- h. Ink's Disposal - **\$308.00** for cleaning main & Devereux pump stations
- i. W. G. Malden, Inc. - **\$375.00** for calibrating meters
- j. Deckman Electric - **\$445.00** for inspection & replacement of power cord on Hydromatic Grinder Pump (from 39 Ashlea Drive)

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- k. PreDOC - **\$745.00** to replace existing junction box & rewire system @ 39 Ashlea Drive
- l. USA BlueBook - **\$34.35** for operating supplies (Honeywell charts)
- m. Guardian - **\$1,000.00** for final payment to close-out spray field improvement project
- n. Staples - **\$37.98** for office supplies
- o. Wrigley's Office Supply - **\$14.25** for office supplies
- p. H.A. Thomson Co. - **\$202.00** for treasurer's bond renewal premium

TOTAL: \$12,244.46

Mr. Riley recommended the Authority authorize the release of the final payment to Guardian Construction, invoice "m" above, to close out the spray field improvement project once the final pay request has been received. Mr. Yuhas moved to approve the final payment to Guardian Construction contingent upon review and approval of the final pay request by the Consulting Engineer. Mrs. D'Angelo seconded the motion, and it was unanimously approved. Mr. Yuhas further moved to approve the remaining invoices "a" through "p" above as presented. The motion was seconded by Mr. DePedro and was unanimously approved. The sum of \$3,634.24 will be reimbursed to the Municipal Authority from the various review/construction escrow accounts.

Ms. Bednarchik reported that the CDARS investment account, which matured on 12/31/07, was reinvested at National Penn Bank at 4.28% APY for a six month term.

HIGHSPIRE ESTATES

Joe Riper, Esquire, of Riley Riper Hollin & Colagreco, and Mike Wodotinsky, Esquire, John Maczonis, and Paul Storck, all of Heritage Building Group, attended the meeting to discuss the allocation of the capital reserve portion of the sewer user fees collected from the connected units at Highspire Estates and to seek the Authority's support for an extension of the pump and haul permit. Mr. Riper explained Heritage's commitment to assume the responsibility to repair or replace, at its expense, any equipment defects or failures that may occur during the maintenance bond period following dedication in exchange for the Authority's agreement to release to them the capital reserve funds accumulated to date and to discontinue further allocations to the fund until the extended pump and haul period has ended. Allocations to the capital reserve fund would commence once the treatment plant becomes operational. Heritage offered this proposal to address the Authority's concerns about the equipment warranties running during the period of dormancy of the treatment plant. Mr. Maczonis stated that, except for the 5-year warranty on the generator, most manufacturers will not offer an extended warranty beyond the initial one year. Mr. Wodotinsky also addressed the Authority's concerns about past due invoices for engineering and legal services with a pledge to remit payment by the end of the month, and to submit current pump and haul records for the Authority's file. Mr. Fetter referenced the terms of the agreement whereby Heritage is required to pay user fees on all undeveloped lots once the pump and haul period has ended and is also responsible for paying any operating deficit. In addition, the Authority does not have to accept dedication until the sixtieth house is sold. Therefore, he finds Heritage's proposal to amend the agreement and assume responsibility for the warranty coverage as an acceptable solution.

Mr. Yuhas moved to discontinue further funding of the capital reserve account pending the end of the pump and haul period contingent upon Heritage's immediate action to reimburse the Authority for outstanding invoices for engineering and legal services and to maintain a close working relationship with the Authority Secretary concerning submittal of the pump and haul records and notification of home sales, and further contingent upon supplemental language being added to the existing construction agreement to include Heritage's responsibility for repair and/or replacement of any equipment defects or failures during the maintenance bond period. Mrs. D'Angelo seconded the motion, and it was unanimously approved.

The request for an extension of the pump and haul permit and the amount of flow required for start-up of the wastewater treatment plant was also discussed. Mr. Storck advised that Heritage has sold eight homes and has contracts on ten more homes. Mr. Maczonis commented that Evans Mill Environmental looked at the flow and determined twenty occupied homes are required in order for the plant to become operational. Mr. Riley cautioned that Evans Mill provided a planning number based on 250 gallons per day per dwelling unit rather than actual flow. He suggested that actual flow rates derived from the pump and haul program be provided to the manufacturer for input on the number of occupied homes needed to sustain the plant.

Mr. Yuhas moved to support an extension of the pump and haul permit which expires on April 1, 2008. Mrs. D'Angelo seconded the motion, and it was unanimously approved. A letter will be sent to the Board of Supervisors recommending they submit a letter to DEP requesting an extension of the pump and haul permit.

SOLICITOR'S REPORT

Mr. Fetter attended the meeting to give the Solicitor's report for the month of December as follows:

The fourth quarter user fees remain delinquent from Nancy McDonough, James Trego, and Heritage Building Group (for Brandywine Hill). Municipal claims will be filed in mid-January against any accounts that remain unpaid.

Mr. Fetter advised he will contact Greenfield's counsel to follow-up on the utility easement for the force main from Devereux to Creek Road.

The Secretary raised a question as to whether the Downingtown Area School District should be billed for user charges for the new elementary school on a per EDU basis or on a metered basis for actual usage. The question arose in anticipation of the school's opening in mid-February. The District reserved a total of 36 EDUs for the elementary school. Mr. Fetter advised the reservation of capacity agreement does not clearly address the billing issue. In Section 3b, the agreement states that when the District connects to the system, "*DASD shall be subject to all of the rules, regulations, ordinances and resolutions of WTMA, including sewer user charges based on peak usage.*" He explained that the words "*based on peak usage*" were added by the Authority following a discussion with the District about their concern that 36 EDUs would not be needed, and their desire to be able to sell unused EDUs back to the Authority. In Section 5,

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the agreement provides that actual usage would be monitored “*based on WTMA’s meters*” for 12 consecutive months following connection and that the Authority would repurchase unused EDUs for the original purchase price of \$5,000 per EDU, if the District requested the Authority to do so. The Authority’s concern was that the number of EDUs had to be calculated on the basis of peak usage, not average usage, since there would be very little actual usage during certain times of the year. Therefore, the words “*based on peak usage*” were added, but they were added in a section that caused confusion as to the basis for the user charges. Mr. Fetter opined that both the Authority and the School District believed the user charge would be based on the number of EDUs and not actual usage; otherwise, there would have been some provision in the agreement establishing a per gallon rate. However, some type of metering would have to be installed to determine the usage so that the recalculation of EDUs after 12 months of usage can be performed. Mr. Riley commented that wastewater from the school was originally intended to flow through the treatment plant and, therefore, would be easier to meter. However, due to a design change, the wastewater flows by gravity directly into the lagoon, making it difficult to accurately measure. Based on this design change, it is the Authority’s position that the School District will need to demonstrate, after 12 months of usage, that it does not use all 36 EDUs. The Authority may need to require documentation annually to make sure the School District does not exceed its current or future EDU allocation. The Secretary will proceed to bill the School District for user fees on a per EDU basis at the current rate of \$125/EDU/quarter.

ENGINEER’S REPORT

Highspire Estates – Brubacher Excavating performed the vacuum testing on the manholes in the paved area of Highspire Estates. The testing was witnessed by Entech’s construction observer. Corrections to defects in the manholes will be made during the week of January 14.

Hankin Project – Entech is still awaiting a reply from Evans Mill Environmental to the review letter of 11/05/07 on the water system for the Hamilton Subdivision. A review of the preliminary submittals for the major pieces of equipment for both water and sewer was completed, and a review letter was issued on 1/02/08 with a few minor comments.

Springton Manor School – A meeting was held at the new elementary school site to review the comminutor installation in conjunction with its factory start-up and instruction to the DASD custodial staff. It was noted there were two inlet lines into the manhole, but the comminutor was handling flow from only one of them. DASD was advised that the line could not be activated until all flow into the manhole was routed through the comminutor. The contractor has advised that revisions are now completed, but confirmation is needed before DASD can be allowed to discharge flow from the new school to the lagoon. Mr. Yuhás questioned whether the pipe change was pressure tested. Mr. Riley replied that testing would be a township responsibility since the Authority will not own and maintain that portion of the line. However, he will request a copy of the test results.

DASD staff was advised to submit an escrow release request for 100% of the construction value since construction is now complete.

Glenmoore Treatment & Disposal System – Entech is awaiting a final invoice from Guardian Construction for the spray field improvement project.

Brandywine Hill - The sanitary sewer lines were cleaned and televised. No defects were identified. Results of the television inspection were provided on electronic media for the Authority's file.

PennDOT Project – A road resurfacing project is scheduled on Fairview Road from Creek Road to Conestoga Road. The project will impact the Authority's facilities from Creek Road to Park Lane. Entech's field observer identified one manhole and three 12" diameter castings along the edge of the road that may not be covered under the Master Casting Agreement. Mr. Riley will confer with the Treatment Plant Operator before the Utility Relocation Clearance Report is completed and returned to PennDOT.

Miscellaneous – Per the discussion at the December meeting about establishing a capital reserve fund for the Glen Moore system, Mr. Riley presented a sample Capital Reserve Study prepared by Dave Bush of Keystone Alliance Consulting for the East Goshen Township Municipal Authority. An invitation will be extended to Mr. Bush to attend the next meeting to discuss the Authority's options for structuring a capital reserve.

OPERATOR'S REPORT

Flow and sampling data collected for the month of December indicate the plant was compliant with the permit conditions.

There were two emergency visits in December: 2120 Creek Road (bad float) and 11 Marty Close Road (pump reset). Deckman Electric evaluated the pump from 39 Ashlea Drive and determined it had a bad cord.

The aerator core has been shipped back to the manufacturer for credit.

The drain pipe for the spring by the control building has been installed. Final grading and seeding will be done at a later date when the weather is suitable.

Spray irrigation was minimal during December due to frequent rain events and high winds. Lagoon levels remain satisfactory.

OLD BUSINESS

Mrs. D'Angelo announced that the Board of Supervisors appointed LTL Consultants as the new Township Building Inspector/Codes Official. The Township's primary contact is Bruce Graff. A joint meeting of all Township consultants, Steve Riley, and representatives of the Municipal Authority and Planning Commission will be scheduled to discuss the status of current projects and improve communication between all parties. Mr. Graff will also be asked about serving as the Authority's third party inspector for new public sewer installations.

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Ink's Disposal will undertake the tank inspections and cleanings in February or March for the preventative maintenance program.

The Board of Supervisors reappointed Steve DePedro to a new five year term.

NEW BUSINESS

The Authority members agreed to the Pennsylvania Municipal Authorities Association's request for individual e-mail addresses to be included on the annual roster.

PUBLIC COMMENT

None.

ADJOURNMENT

Mr. Yuhas moved to adjourn the meeting at 8:25 PM. Mr. DePedro seconded the motion, and it was unanimously approved. The next meeting is Tuesday, February 12, 2008.

Respectfully submitted,

Jan C. Bednarchik
Secretary