

WEST GOSHEN SEWER AUTHORITY
REGULAR MEETING
March 14, 2018
7:00 PM

The regular meeting of the West Goshen Sewer Authority was held on Wednesday, March 14, 2018 at the West Goshen Township Administration Building. Those present were:

Authority

Theodore Murphy
Tina Smith
Dan Tierney
Phil Corvo
Shaun Walsh

Unruh, Turner

Amanda Sundquist

Administration

Dave Woodward

HRG

Josh Fox
Kevin Fox

1. The regular meeting of the Authority was called to order at 7:03 PM by Ted Murphy.
2. The Authority meeting minutes for February 7, 2018 were motioned for approval by Tina Smith, seconded by Phil Corvo. Approved 5-0.
3. Authority Chair and Member Announcements:
 - a) Ted Murphy announced that he had visited the treatment plant and seen good progress on the Headworks Project and Anaerobic Digester Replacement Project.
4. Mike Moffa was unable to attend, so the Wastewater Superintendent Report for February was deferred until the Authority's April meeting.
5. Solicitor's Report was presented by Amanda Sundquist.
 - a) A further meeting between staff had been agreed by Westtown Township to see if additional discussion could resolve their issues with the capital program.
 - b) Review and approval by the West Whiteland Township Board of Supervisors of the inter-municipality agreement remains pending, but the Township Manager and WWT BoS have reviewed the agreement and a response is expected very soon.
 - c) The developer for the Woodlands at Graystone will shortly be depositing funds to pay outstanding Engineer & Solicitor bills and establish a fund balance.
6. Treasurers Report dated March 7, 2018 was presented by Dan Tierney (See report for details)
 - a) Phil Corvo motioned to approve, as Requisition #65 from the Bond Construction Fund, Application for Payment No. 10 as submitted by Walabax Construction Services Inc., in the amount of \$153,363.60 for work completed through Feb. 16th, 2018 for Contract 17-1. Seconded by Tina Smith. Approved 5-0.
 - b) Phil Corvo motioned to approve as Requisition #69 from the Bond Construction Fund, Application for Payment No. 3 as submitted by Blooming Glen Contractors, Inc., in the amount of \$96,818.84 for work completed through Feb. 20th, 2018 for Contract 17-4. Seconded by Tina Smith. Approved 5-0

- c) Phil Corvo motioned to approve as Requisition #66 from the Bond Construction Fund, Application for Payment No. 2 as submitted by DiRocco Brothers, Inc., in the amount of \$90,953.10 for work completed through Feb. 9th, 2018 for Contract 17-5. Seconded by Dan Tierney. Approved 5-0
 - d) Dan Tierney motioned to approve as Requisition #68 from the Bond Construction Fund, Application for Payment No. 2 as submitted by Eastern Environmental Contractors, Inc., in the amount of \$281,875.50 for work completed through Feb. 28th, 2018 for Contract 17-3 (General Construction). Seconded by Phil Corvo. Approved 5-0.
 - e) Phil Corvo motioned to approve as Requisition #67 from the Bond Construction Fund, Application for Payment No. 1 as submitted by Eastern Environmental Contractors, Inc., in the amount of \$10,800.00 for work completed through Feb. 28th, 2018 for Contract 17-8 (General Construction). Seconded by Ted Murphy. Approved 5-0
 - f) Ted Murphy motioned to approve for payment, Requisitions #70 through #78 from the Bond Construction Fund, plus Tapping Fee Fund Requisitions of \$40,655.09 and Developer's Invoices of \$1470.80. Seconded by Phil Corvo. Approved 5-0.
7. Developers Report, dated March 2, 2018 was reviewed by Josh Fox (See report for details).
- a. Josh Fox stated that the progress meeting for the Woodlands at Graystone development had been postponed until April 4th. There will be monthly progress meetings for this significant development to ensure effective and efficient coordination between the many groups involved.
8. Tina Smith raised the issue of whether the Authority is able to act at the necessary speed on project issues (or emergency repairs) requiring immediate spend approval to avoid contractor work delays. The Authority discussed the concern with Josh Fox. It was agreed to review with Mike Moffa, at the next regular meeting, the suggestion to increase the WWTP Superintendent's spend authorization to \$10,000 for these circumstances.

Engineers Report dated March 2, 2018 was reviewed by Josh Fox (See report for details).

Request for motions:

- a) Josh Fox described the deteriorating physical condition of Woodcrest Pump Station (Downing Avenue), a recent near-miss safety incident, and advised that the planned improvements for this Pump Station needed to be prioritized and advanced sooner than originally planned because of the increasing safety & failure risks.
Shaun Walsh motioned to pull forward from 2019, the Woodcrest Pump Station Improvement as a separate project with work to begin immediately, seconded by Tina Smith. Approved 5-0
Josh Fox will send a courtesy notification to the other municipalities informing them of this change to the overall program (creating a new project for this specific Pump Station), even though the collection system to the Pump Station is for West Goshen residents only.
- b) Ted Murphy motioned to approve Change Order No. 1 for Contract 17-6 for a decrease in the contract amount of \$10,506.81, as a result of changing the material to be used for conduit to aluminum from galvanized steel. Seconded by Tina Smith. Approved 5-0
- c) Shaun Walsh motioned to approve Change Order No. 2 for Contract 17-4 for a net increase in the contract amount of \$10,853.36. The Change Order consists of 1) Repair to the influent

line to Westtown Way Pump Station at a cost increase of \$16,250.36 and 2) Revised means and method for construction of the by-pass connection at the Pump Station resulting in a decrease of \$5,397.00

Seconded by Ted Murphy. Approved 5-0.

The Authority discussed arranging a meeting with HRG to review construction progress of all projects underway at the wastewater treatment plant. The meeting was scheduled for 5:30 pm on Thursday, April 26th.

9. Kevin Fox presented three revised scenarios (E, F & G) for a Rate Increase based on Existing Rate Fees and Structure.

The Authority discussed the scenarios, what specific recommendation and alternative option(s) should be presented to the WGT Board of Supervisors, and the required timing for the paper to be presented to the Board.

The Authority agreed:

- a) No increase in the sewer rate for 2018.
- b) The rate increase to be proposed to the WGT BoS in 2019 should be **at least sufficient** to cover the Bond Debt payment going forward. Multiple annual increases (Scenario F) to come up to the debt payment amount were not supported because of the deficit in funding the debt payment during the ramp-up years, requiring reserves to be drawn down.
- c) Based on the information provided in Scenario G, the Authority determined that rounding up to a \$20 per quarter increase in Residential rate from \$65 to \$85 would achieve b). This approximates to a 30.8% increase and would be applied uniformly to all types of establishment.
- d) The Authority requested that this increase is also applied to the volumetric portion of bills for those establishments with a volume element to their fee structure. HRG would check the existing sewer revenue derived from volume and ensure the same 30.8% increase was being applied in their analysis.

The above represents the minimum rate increase to be presented in the paper as it would cover the annual debt payment. However, it would not raise enough revenue to establish a Capital Reserve Fund or cover the increase in operating costs beyond 2019 & 2020.

Therefore, it would be considered the **Alternative** option.

For the **Recommendation**:

- e) No increase in the sewer rate for 2018.
- f) The Authority requested that the recommended approach include an increase sufficient to create a Capital Reserve Fund that **would be held by the Township**. It was suggested that a \$0.3M to \$0.5M per year CRF contribution was appropriate. This would provide available capital of \$6M to \$10M over the 20-year period of bond payments, with the goal of avoiding the need for future borrowing for the currently unknown, but anticipatable projects that would occur in the next 20 years.
- g) Based on the information provided in Scenario E, the Authority determined that rounding up to a \$25 per quarter increase in the Residential rate from \$65 to \$90 would cover both the annual debt payment and achieve the desired CRF funding. This approximates to a 38.5% increase and would be applied uniformly to all types of establishment. Again, this increase would also apply to volumetric based charges in

the analysis.

- h) It was recognized that reserving all new revenue beyond that needed for the debt payment, into a CRF, would result in a shortfall of funds needed to cover the expected increase in operating costs over the period being modeled. The Township could either (i) reduce the contribution into the CRF, so as to use some of the increased revenue to fund increasing operating costs, or (ii) determine if a combination of funding from the existing Township Sewer Reserve and an additional smaller rate increase in the 2021/2022 timeframe would be preferred, as actual operating costs for the upgraded treatment plant become known.

It was requested that Kevin Fox, HRG, prepare the paper to be presented to the WGT BoS for final review and approval at the Sewer Authority regular scheduled meeting on April 4th. The paper could then be provided to the WGT BoS ahead of their April meeting and presented for BoS discussion at the public meeting. The draft paper should be circulated to the Authority ASAP to give members time to provide input to the draft document prior to the final review.

10. New Business

- a. Tina Smith raised the issue of ‘flushable’ wipes relative to the performance of the new influent screening operation to remove them. It is expected that a combination of optimizing the new screen operation and the use of grinder pumps that are designed to macerate solids will be effective in preventing serious operability issues. An East Goshen township attendee described how that township includes information in their newsletter/website on the problems caused by these wipes. The Authority agreed it would be good to provide this information to West Goshen residents using the newsletter and website.
- b. Josh Fox and Dave Woodward informed the Authority that the creek at Westtown Way Pump Station is significantly eroding the creek bank at a bend in the flow direction, such that the Pump Station building ultimately risks being impacted. They asked the Authority to approve obtaining a permit to perform soil stabilization activities (stone reinforcement) of the creek bank.
Dan Tierney motioned for the Engineer and Township to proceed with the process to obtain a permit with the required permitting authorities, seconded by Phil Corvo.
Approved 5-0

There being no other business, Dan Tierney motioned to adjourn the meeting at 9:25 PM, seconded by Shaun Walsh. Approved 5-0

Respectfully submitted,

Shaun Walsh, Secretary