

EAST GOSHEN TOWNSHIP
MUNICIPAL AUTHORITY MEETING MINUTES
SEPTEMBER 8, 2008

The East Goshen Township Municipal Authority held their regularly scheduled meeting on Monday, September 8, 2008 at 7:00 PM at the East Goshen Township building. Members in attendance were: Chairman Mike Steinberger, Jack Yahraes, Joe McCawley and Fran Beck. Also in attendance were: Township Manager Rick Smith, Authority Engineer Evan Andrews (Pennoni), Authority Solicitor Bob Adams, Ellen Carmody (Historical Commission), George Martynick (Planning Commission), Walter Wujcik (Conservancy Board) and Carmen Battavio (Board of Supervisors).

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mike Steinberger called the meeting to order at 7:00 PM and led those present in the Pledge of Allegiance.

2. CHAIRMAN'S REPORT

Jack reported that the bond issue regarding state money for waste and drinking water, will be on the Ballot in November; PMAA is asking for support.

3. APPROVAL OF MINUTES

Jack moved that the minutes of the August 11, 2008 meeting be approved as corrected. Fran seconded the motion. No further discussion or public comment was heard. The motion passed unanimously.

4. ENGINEERING REPORT

Evan reported that the Archeologist has responded to comments from PHMC on Lochwood Chase and Hershey Mill/Reserve PS Diversion Special study; PHMC response is pending. Bids for the RCSTP have been received and will be discussed tonight.

5. APPROVAL OF INVOICES

A. Pennoni, Inv. #386449, 9/4/08 - \$105.00

Jack moved to approve payment of the Pennoni Invoice #386449 dated 9/4/08 in the amount of \$105.00 for LCSTP Decommissioning Planning. Joe seconded the motion. No further discussion or public comment was heard. The motion passed unanimously.

B. Pennoni, Inv. #386450, 9/4/08 - \$210.00

Mike moved to approve payment of the Pennoni Invoice #386450 dated 9/4/08 in the amount of \$210.00 for the Pump Station Special Study. Jack seconded the motion. No further discussion or public comment was heard. The motion passed unanimously.

C. Pennoni, Inv. #386451, 9/4/08 - \$4,125.00

Fran moved to approve payment of the Pennoni Invoice #386451 dated 9/4/08 in the amount of \$4,125.00 for the RCSTP Expansion. Joe seconded the motion. No further discussion or public comment was heard. The motion passed unanimously.

D. Pennoni, Inv. #386452, 9/4/08 - \$1,958.50

Mike moved to approve payment of the Pennoni Invoice #386452 dated 9/4/08 in the amount of \$1,958.50 for the Marydell PS Evaluation. Jack seconded the motion. No further discussion or public comment was heard. The motion passed unanimously.

6. LIAISON REPORTS

- A. HC –Ellen Carmody reported that Living History Day is scheduled for 9/20 from 11am – 4pm. The HC board will attend “Afternoon with the Generals” at the General Warren Inn on 9/21. The Paoli Illuminations will take place on 10/11 and the dedication of the Veteran’s Memorial Pavilion at East Goshen Park will follow the Pumpkin Fest on 10/18. Volunteers are welcome for all events.
- B. PC – George Martynick reported a sub-division has been filed for 953 Cornwallis Drive.
- C. CB – Walter Wujcik reported that they are finalizing the tree species for the trees being donated by the YMCA; locations have already been chosen. They are also looking into getting landscaping services donated to spruce up the township building grounds.
- D. BOS – Carmen Battavio said the township email policy is about to be adopted and the new standards will be in place January 1, 2009. He reiterated that no issues may be discussed or opinions rendered via email. Email is for disseminating information only. Otherwise they are in violation of the Sunshine Laws. In emergency situations votes may be case and ratified at the following meeting. Bob would like to review the policy when finalized.

7. FINANCIAL REPORTS – none

8. NEW BUSINESS

A. Bid Results

Joe cautioned members from the start that the bids they are reviewing are not all-encompassing because they do not include Pennoni costs or financing fees; these are hard costs only not total project costs. There is a meeting scheduled between the BOS and MA on 9/15. Joe would like to postpone until the total figure is established and the MA agrees on the fees. Rick pointed out that bids are only good for 60 days. Rick listed pending projects and costs:

\$10.1 million – RCSTP hard cost
\$468K – Pennoni
\$424 (abandon) - \$681 (upgrade) – Lochwood Chase
\$65K + \$171K – (2) Pump Stations
\$1.5M+ – Reservoir Road Pump Station
\$13M+ Need to Fund

With approximately \$700,000 is available from MA funds, \$12M will need to be borrowed. Fran doesn’t think Lochwood Chase has been considered fairly and openly and it’s therefore unclear how to proceed. Rick said Evan established the costs for a 30 yr. life cycle and it is clearly better to abandon LC. Even though spray irrigation is more costly in the long run, it is highly favored by the DEP. The MA has been focused on the original \$10M financing of the RCSTP project and did not calculate for Lochwood Chase and the ancillary projects that have developed.

Members discussed how increased financing effects interest reserves. The original \$10M RSCTP project would result in a 45% rate increase for users. Borrowing more funds would push the increase to 50%. Rick will prepare a list of costs/projects for

members to review. If they move forward and borrow the money in the fall, the rate increase will be effective 1/09, with the first payment due next year. Bob expects the BOS will be resistant in this regard. He urged them to set priorities and rationalize their position before meeting with the BOS; members agreed. Mike would like to meet with Joe and Rick to review the figures and MA budget. The alternative is to sell the system. Bob reminded them that this is the 3rd time it has gone out to bid.

B. Alternatives

Evan reported the low bidders are Worth & Company, Inc. and Wm. H. Clinger Corp.; both are strong reputable candidates. By law the Authority is obligated to take the lowest, responsible bidder. Options to consider:

- Option A – award the bid without odor control (\$8.8M total construction costs)
- Option B – award the bid with 100% odor control (\$10M total construction costs)
- Option C – add odor controls later (\$1.7M additional cost)
- Option D – add biofilters to the “headworks” area (\$233,000 additional cost). Biofilters will help dissipate odors at the property line but Evan pointed out that the sludge is the main source of odors.
- Option E – cover the sludge source, half the tanks (\$727,000 additional cost)
- Option F – cover the headworks and sludge room (\$968,000 additional cost).

Carmen suggested identifying the percentage of odors that come from each section of the plant but Evan said it is difficult to quantify. Joe would like to identify areas where complaints come from. Members discussed the justification for spending over \$1M in odor control vs. the number of residents directly impacted. Joe suggested evaluating the average costs, with and without odor controls, on a per user basis. Evan pointed out that overall odor issues will improve because the new design is fundamentally better.

The main sources of odor are currently the sludge room, the headworks, and then the bioreactors. Members discussed which option yielded the best result and was the most cost effective. Members discussed difference between the Worth and Clinger bids. Bob argued that the Authority has a responsibility to do everything possible to improve conditions with the upgrade. Members expect the BOS will lean towards the sale of the system if it means spending \$13M; the Authority discussed the risks and benefits of privatization.

The MA will meet on 9/15 at 6pm to further discuss their options and rescheduled their joint meeting with the BOS for 9/29. Although the Reservoir Road project could be 3-4 years out, the BOS needs to evaluate all the ancillary projects. TMDL's at West Goshen will effect EGT as they will need to contribute 22% to that project.

C. Budget Review

Members agree to hold off the 2009 budget review until the RCSTP and other projects are finalized.

9. CAPACITY REQUESTS – none

10. SEWER REPORTS – none

11. CORRESPONDENCES – none

12. PUBLIC COMMENT – none

13. ADJOURNMENT

Jack moved that the MA adjourn. Fran seconded the motion. No further discussion or public comment was made. The motion carried unanimously. The meeting adjourned at 8:33 PM.

Respectfully submitted by: _____
Tracie Hill, Recording Secretary