

**EAST GOSHEN TOWNSHIP
BOARD OF SUPERVISORS WORKSHOP
1580 PAOLI PIKE
September 30, 2008 – 7:00pm**

Present: Chairman Marty Shane, Vice-Chairman Carmen Battavio, Joe McDonough, Don McConathy and Thom Clapper. Also present were Township Manager Rick Smith, Jim McRee (Planning Commission & DMC), Linda Gordon (Historical Commission), and Phyllis Marron (Park & Rec).

EXECUTIVE SESSION

The Board met in Executive Session from 7:00pm to 7:35pm to interview candidates for the Municipal Authority.

JOINT MEETING WITH THE MUNICIPAL AUTHORITY

The Board met with the Municipal Authority (MA) to discuss the RCSTP upgrade and expansion. Present for this joint meeting were: Mike Steinberger (Chairman), Fran Beck (Vice-Chairman), Jack Yahraes, Joe McCawley, Bob Adams (attorney), and Evan Andrews (Pennoni).

Marty called the meeting to order at 7:40pm and led everyone in the Pledge of Allegiance to the flag.

Marty thanked the MA for all their hard work on this large project. He stated that the purpose of the joint meeting was to discuss 1) what the MA recommends the Township do in regard to odor controls for the upgraded RCSTP and 2) financing for the upgrade.

Marty asked Mike Steinberger to provide a brief summary of where the MA is in regard to the project. Mike said the MA believes the Township should upgrade the RCSTP to SBR technology at a capacity of 750K gallons/day, and to maintain a discharge to West Goshen at 1M gallons/day. They want to award the general/mechanical construction contract to Worth & Company in the amount of \$7,865,400 and the electrical contract to Wm. H. Clinger Corp. in the amount of \$974,000. Mike said the MA was very pleased that the bids came in so close to Pennoni's cost projection from 2007.

Carmen asked Evan Andrews if it is possible for him to estimate a percentage decrease in odors that will result from the upgrade, compared to the existing plant. Evan said that due to the improvements in technology and the new construction, he estimated that a 25-30% decrease in odors would not be an unreasonable expectation.

Marty asked if modifications and improvements could be added after construction if the Township determines it necessary to take additional measures to control odors. Evan said yes.

Carmen asked if it is possible that a new, improved material for tank covers might be available in a few years, one that might be less expensive than what is currently available. Evan said it is possible.

Jack advised the Board that the MA plans to hire an odor technician to establish a baseline odor level, so that comparisons can be made once the upgraded plant is constructed. The technician will take readings over a 30-day period to determine an average odor level.

Marty asked Evan about the permit requirements for the effluent going into the Ridley Creek when operating at full capacity. Evan said the plant is designed to meet the discharge requirements of the permit and there will be additional measures the Township can take if necessary. Marty asked what is the risk that the effluent will not meet permit requirements. Evan said the plant is designed for worst-case operations, so on an average day there should be no problem meeting the requirements. Joe asked when the permits would be obtained. Evan said all necessary permits are in hand already except for one from the Soil Conservation District and that is only because the person is out of the office right now. He said the MA will need to reapply for the permits every five years, and noted that DEP can adjust the permit requirements at any time. Mike Steinberger added that the DEP is concerned about the state of the current plant and is very anxious for the Township to upgrade the plant.

Don then asked Evan a question about infiltration. Evan said that at peak capacity, the upgraded plant could handle 3M gallons for a relatively short period of time.

Don asked the projected design life of the new system, and Evan said it should be 30+ years before any major changes would be necessary.

Don asked Evan how comfortable he is with the bids, and how much of a cost increase does he expect to encounter over the course of construction. Evan said he thinks it would be appropriate to plan for a contingency of 7-8%. Joe McCawley said the MA has accounted for a contingency of 5% for above the line and \$200K for below the line in the hard-cost line item. Marty asked if these contingency amounts are included in the \$8.8M figure, and Joe said no. Marty calculated that adding 8% to \$8.8M would make it \$9.5M. Don noted that the contingency would need to be added to the construction costs only.

The Board asked the MA about abandonment of the Lochwood Chase plant. Mike said the MA plans to abandon Lochwood. The necessary paperwork has been filed with the DEP and they are waiting to hear back. Carmen asked Bob Adams what his strategy would be if the DEP denies the application. Bob said the MA could argue fiscal responsibilities, and he is sure Evan could come up with a reason why abandonment is recommended from an engineering standpoint. Evan noted the DEP designed Lochwood to be abandoned once sewerage became readily available in the vicinity, which is presently the case. Carmen asked Bob what the timeline for appeal might be. Bob said approximately one year.

Marty asked if the MA would be ready to abandon Lochwood by the time construction of the new plant is complete, assuming DEP approves the abandonment request. Evan said yes.

Don asked the MA if the estimated cost of \$424K to abandon Lochwood would cover everything, and they said yes.

The Board then asked the MA about the Greenhill (Hershey's Mill) pump station. Evan said the discharge point can be relocated, reducing the load on West Goshen. The same can be done for the Reserve pump station. He said that both changes would end up paying for themselves over time. Joe questioned the cost savings, noting that the per-unit cost of treatment at the RCSTP is more than the cost of going through West Goshen. The MA told Joe that the cost savings would be realized as result of not being fined for violations any longer. Moving the discharge points will bring the MA into compliance. Mike noted it will also reduce East Goshen's dependence on West Goshen's system.

Marty informed the MA that the Supervisors are studying the possibility of going to metered billing, but are having difficult obtaining some of the necessary information from Aqua.

The Board asked the MA about the Reservoir Road pump station. Evan said this station will divert an additional 300K gallons from West Goshen and send it to the RCSTP. Joe said since it is more cost effective to process sewage through West Goshen, the MA should make it a goal to send the maximum load possible to West Goshen without going over the 1M gallon limit. He then asked if everyone in the Township uses their volume "reservation" to the maximum, what would be the Township's exposure. Rick answered that the exposure would be 200K gallons.

The Board then discussed sheet 5 of 9 from the packet, "Summary of Sewer Projects" with the MA. This sheet summarizes the MA's recommendation to the Board. Joe had numerous questions about the numbers on the sheet, which led to lengthy discussion.

Marty said he would like to borrow all the money now, and lock in the rate of approximately 4.1%. He would like to borrow for a term of 25 years. Marty said he recommended moving on this right away, due to the tenuous financial situation and tight credit market. Marty took a poll of the other Supervisors and Don agreed with him, as did Joe. Thom agreed on everything except he would prefer not to borrow money to fund the Lochwood upgrade. Carmen agreed with everything, except he is not 100% sold on a 25-year term.

Marty then polled the Board as to whether they want the MA to contribute more than \$731K. Marty is fine with the \$731K, because he doesn't want to clean out the MA's account. Carmen and Don agreed with Marty. Thom and Joe would like the MA to contribute more of their own money to the project.

Don then requested that a revised "Summary of Sewer Projects" sheet be prepared before the Board took a vote on this matter. Rick went back to his office, updated the spreadsheet, and handed out copies to everyone.

The Board then verbally agreed to proceed with the plant upgrade without adding on extra odor-reducing enhancements.

Marty moved to authorize the MA to borrow \$11.4M from the Delaware Valley Regional Finance Authority over a term of 25 years. The money is to be allocated for the four projects listed on the document entitled "Summary of Sewer Projects" dated September 30, 2008. Don seconded the motion.

Thom asked if Marty's motion covered the Lochwood upgrade. Marty said yes. Carmen said he was concerned about a 25-year loan because of its effect on the senior population. Marty said he personally prefers a 20-year loan himself, but a 25-year loan is necessary because it has lower annual carrying charges.

Public Comment: Bill Egan, Mill Creek Drive – Asked if the Board knew the effect this loan would have on sewer rates yet. Marty said the Board is still looking into that, but now that the details of the loan have been determined the Board should know shortly. Don told Bill the rates will go up somewhere around 50%. Carmen said that the rate increase would not all be due to the sewer plant upgrade, however. The Township also has to make up for not raising rates in the past couple of years.

There was no further discussion or public comment. The Board voted 3:2 to pass the motion. Joe and Thom were opposed.

Adjournment

The joint meeting between the Supervisors and the MA adjourned at 9:30pm.

WORKSHOP

Sewer Cleaner Replacement

The Board reviewed Mark Miller's September 23 request to spend \$40K to replace the sewer cleaner. Thom moved to approve the purchase of a new unit. Don seconded the motion.

Public Comment: Bill Egan, Mill Creek Drive – Asked how often the cleaner is used. Rick said the Public Works Department usually uses it every week.

Joe asked where the money would come from. Rick said it would come from the Capital Reserve. There was no further discussion or public comment. The Board voted unanimously to approve the motion.

Traffic Light at Boot Road & Enterprise Drive

The Board continued their discussion from the September 23 meeting concerning the request from CTDI to have a traffic light installed at Boot Road & Enterprise Drive.

Thom is opposed to the light and to a traffic study. Joe suggested a "No Left Turn" sign be posted instead, and he is opposed to funding a traffic study. Don would like to get an updated traffic study before making a decision. Marty agreed with Don, and said a study is needed even if the Township decides to turn down CTDI's request. Carmen stated that the Township has provided CTDI with a safe exit from their building, so he would only be willing to consider a traffic light if CTDI agrees to pay for it and to fund the necessary traffic study.

Since three Board members were opposed to funding a traffic study to move forward on this request, no action will be taken. Rick will inform CTDI.

Bills

Current invoices were reviewed.

Treasurer's Report

The Treasurer's Report for September 30, 2008:

	RECEIPTS	EXPENDITURES
GENERAL FUND		
Real Estate Tax	\$ 0.00	
Earned Income Tax	\$ 9,206.16	
LST	\$ 7,000.00	Accounts Payable \$ 228,746.72
Transfer Tax	\$ 0.00	Debt Service \$ 27,808.31
Codes, Park & Rec, Etc.	\$ 45,933.88	Payroll \$ 40,000.00
Total Receipts	\$ 62,140.04	Total Expenditures \$ 296,555.03
Zoning Hearing Fund	\$ 0.00	\$ 0.00
State Fund	\$ 0.00	\$ 0.00
Capital Reserve	\$ 0.00	\$ 0.00
Transportation Fund	\$ 0.00	\$ 0.00
Sewer Operating	\$ 2,279.12	\$ 25,838.80
Refuse	\$ 2,417.86	\$ 7,756.35
Capital Projects	\$ 0.00	\$ 0.00

Joe moved to accept the Treasurer's Report as submitted, and the receipts, and to approve the expenditures just reviewed. Don seconded the motion. There was no discussion and no public comment. The Board voted unanimously to pass the motion.

DMP Expenditures

Don wants the Board to receive quarterly updates on expenditures for the DMP. He would like to receive the first report in October. Rick will let Deb Beury know.

Any Other Matter

Joe had Rick update the Supervisors on the actions of the Police Oversight Committee. Rick gave a verbal report and will provide a memo by the next meeting. Joe said he would like the budget to show a new line item for a sinking fund to be used for retirement benefits.

Subdivision/Land Development/Conditional Use/Variance Applications

Rick reported that attorney John Good is representing Skip Chalfant, and plans to request a zoning variance for the new sign outside Mr. Chalfant's antique shop.

Assistant Township Manager

Joe and Marty have both gone through the resumes and reduced the list of candidates down to six. They will each send the names of their choices to Rick, who will schedule interviews.

Public Comment

John Schorn of Larch Lane asked if there was any update on the King George Court issue. Rick advised that the matter is winding its way through the court system.

Carmen gave Mr. Schorn an update on the alarm issue in regard to Wellington and Bellingham. He said the Fire Company has been attempting to get folks who are using their services to sign up as members. This is one small way to help defray the cost of repeatedly going out to these facilities. Carmen noted that calls of this nature have dropped off, for some reason. He said the Fire Company is also reviewing the Township's draft Alarm Ordinance.

Adjournment

There being no further business, the meeting adjourned at 10:05pm.

EXECUTIVE SESSION

The Board met in Executive Session until 10:30pm to discuss a personnel matter.

Respectfully submitted,

Anne Meddings
Recording Secretary