

**WASHINGTON TOWNSHIP BOARD OF SUPERVISORS
SEWER WORKSHOP MINUTES
MARCH 15, 2018**

CALL TO ORDER

Chairperson David Moyer called the sewer workshop meeting of the Washington Township Board of Supervisors to order at 6:01 p.m., at the Washington Township Municipal Building. The meeting opened with the Pledge of Allegiance.

ROLL CALL

The following members were present: Supervisors, David Moyer, Thomas Powanda, Township Manager, Richard Sichler, staff members Susan Brown and Doug Bleam and approximately sixty-two (62) residents in attendance.

Absent: James Roma

TAPING OF MEETING

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

WORKSHOP DISCUSSION

Chairman Moyer stated the reason for this workshop is to determine if the sewer rates can be reduced or if they need to remain at the current rate of \$345.29.

Mr. Sichler stated the idea of a workshop and further study of the sewer rate came up at the February Board of Supervisors meeting and it was decided there should be a third-party review. Mr. Sichler did contact the bonding company, Public Finance and was told they really don't do evaluations of this type. Mr. Sichler provided a hand-out, Review of 2017 Wastewater Operating Expenses, and explained how he reached the conclusion of total revenue of \$1,299,832.12 and total expenses of \$1,216,830.11 for a difference of \$83,002.01.

PUBLIC COMMENTS

Barbara Umpierre, 207 Bishop Pine Road, asked about a previous comment made regarding the temporary pump station in Meadowbrook. It was explained the township is reimbursed for the cost to operate the pump station and the township also pays the electric however the township replaced two pumps and were expenses that were not reimbursed. Mr. Umpierre stated she is paying the user fee which Mr. Sichler explained is used for the treatment of the sewer.

John Wynne, asked if the same review were completed for each year, back to 2014, would the outcome of \$83,000 be the same for each year. Mr. Sichler stated there were a number of new customers added in the past two years. Mr. Wynne asked if Mr. Sichler would agree that there is an excess each year to which Mr. Sichler said he didn't know the answer to that question. Mr. Wynne also asked if Mr. Sichler is counting cash

balance to which Mr. Sichler stated no. Mr. Moyer stated at least one year of debt service payment should be on hand at all times.

Jim Daulerio, 17 Wren Drive, stated looking at the hand-out, the debt is at 66.9% asked if there is a way to get this debt paid off by possibly refinancing. It was explained the debt was refinanced in 2012 with a very low interest rate. Rates have increased since the refinancing. Mr. Daulerio asked where the township can get money to pay this debt. Mr. Sichler stated those types of funds are very limited but will continue to seek out funding sources.

Kathy Yons, 10 Eagles Watch Dr N, stated the only people paying for the sewer are the people connected which is about 900 customers but there are about 4,000 people living in the township and feels all residents should be paying for the sewer debt. Mr. Moyer and Mr. Powanda stated residents that are not connected have on lot systems and who is going to help them pay to replace their system if their septic system fails. Mr. Powanda explained if someone connected to the sewer system wants to expand their home and add a bedroom there is no additional cost, however if someone who has an on-lot system adds a bedroom they would be required to expand their septic system which costs thousands of dollars.

Sharron Adams, Tiffany Circle, asked if an audit has been done since the sewer system was put in and it was explained an annual audit is done by a third-party auditor. Ms. Adams stated when she lived in Limerick her sewer was metered and she was charged based on usage and asked if the township has given any thought to metering to lower the cost. In addition, Ms. Adams asked why the township does not take credit cards and also asked what the remaining debt is on the sewer system. It was explained the meters would need to be purchased, installed and read at a great expense to the township. Ms. Adams also stated she feels there are grants available and she will research federal grant availability. It was further explained township residents did not want the township to offer payment by credit card.

Carol Latch, 3 Bunting Court, asked if anyone has looked into helping senior citizens on fixed incomes. Mr. Moyer suggested checking with the Boyertown Senior Center who could possibly point seniors in the right direction.

Mr. Bleam stated when the bonds were issued in 2012 the principal was \$11,925,000 since that time the remaining principal balance is \$9,855,000 and the bonds run until December 15, 2032. The interest rate is between 2% and 2.5% for the first 11 years. Every time a refinance is done the township pays \$70,000 in fees.

Barbara Umpierre, stated the township has \$1 million in reserve, so why can't the township give everyone some relief. Mr. Sichler stated that is the reason for this meeting. Ms. Umpierre asked how much interest does the township earn on \$1 million. Mr. Sichler stated it is about \$6,000 a year in interest. Ms. Umpierre also said the idea of a sewer tax is a big no and is totally against that idea. People who are not hooked up to the sewer should not have to pay a sewer tax and the people who are connected to the sewer would be paying the rate plus the tax which is unacceptable.

Mr. Moyer stated the township has been updating equipment at the Treatment Plant that has been in need of replacement/repair for quite some time. There have been

maintenance items that should have been addressed however there was no money to make upgrades so things were patched to get by. Now the township is in a better financial position to make necessary upgrades and repairs. Mr. Moyer also stated he has been looking at the possibility of an in-house operator for the plant versus a contracted operator.

Greg Musselman, 27 Cormorant Drive, asked if the \$345.29 is a base rate paid by everyone and asked if he owned a gas station and used 10 times the amount of water, he would pay the same rate. It was explained businesses are metered and if the usage exceeds their allotted usage they are billed the flat rate plus the overage. Mr. Musselman stated his water is being metered by a private water company and the meter reading could be obtained to charge for the sewer by usage.

Mark Stone, 107 Gehringer Road, asked what the delinquent rate is. Mr. Moyer stated it is around \$100,000 at the collection agency.

Mary Grepps, 11 Tiffany Circle, asked if after phase 2 and 3 of Bally Springs is built out there would be about 1,000 connections. Mr. Sichler agreed that by the end of the year there may be 1,000 sewer customers. Ms. Grepps asked if we hired an operator in-house would there be grant money for that? Mr. Moyer stated he is not sure of all the details but he is gathering some information.

Laura Paggotto, 11 Songbird Court, asked if the operator was a township employee how much would that reduce the professional services expenses. Mr. Sichler stated most of the professional services expenses will remain however some of the maintenance items would be reduced. Mr. Moyer feels some of the engineering expense could be trimmed down.

Michael Leavy, 2 Bunting Court, asked how many customers are paying monthly rather than quarterly. It was stated there are quite a few customers no paying monthly.

Sharron Adams, asked if the township has contacted Harrisburg for help. Mr. Moyer stated we have in the past. Mr. Sichler explained he contacted Mr. Paul Jansen from Albright College, Center for Excellence in Local Government. Mr. Sichler said Albright offers different types of studies including wastewater and Mr. Jansen has offered to conduct a study for the township. Mr. Sichler said the study would be done at no charge however a donation would be appreciated. It needs to be determined what the cost of expansion would be to ensure the price of the tapping fee is appropriate to cover expansion. Our current operator EEMA employ three engineer's who helped design our treatment plant. Mr. Sichler would like to get a quote from them as to what they think the plant expansion would cost. Mr. Sichler announced the West Tract has apparently been sold to Prestige Builders from Bucks County so plant expansion will be necessary.

A motion was made by David Moyer and seconded by Thomas Powanda authorizing the Township Manager to proceed working with Paul Jansen and also to obtain a price quote for plant expansion from EEMA Engineers. **No comments received.**

All ayes

John Christman, 5 Magpie Court, thanked the Board for undertaking this study and suggested to check with other municipalities in Berks and Montgomery Counties to see how many have a sewer tax that helps fund the repairs and expansion of the system.

Connie Cordova, stated since she moved in to Spring Valley Village there have been 55 homes added and they are planning on a total of 346 homes in the community. Ms.

Cordova asked Mr. Blean where the money goes from the new homes. It was explained the money goes into the sewer fund or money used for the payment of expenses.

Mary Kershner, stated if your tapping fees are too high it scares off developers but the only way to get the debt down is by more connections. If the township acquires a reputation for being friendly to developers and the tapping fees and open space fees remain reasonable, the township will be successful in attracting developers.

Carol Latch, asked if anyone has done a cost analysis to sell the sewer system. Mr. Moyer said it is something that can be looked into however with the debt it may be difficult to sell.

Ericka Nicole, 14 Chase Circle, stated she is action oriented and feels like everyone has aired their grievances and took a moment to summarize what has been discussed so far this evening. Ms. Nicole asked what other things the Board is thinking they may do. Mr. Moyer stated he is definitely going to pursue gathering the information for an in-house operator.

Mr. Moyer stated we still need an emergency contractor. Mr. Sichler stated the Public Works Department was trained last week in excavation practices and safety. Mr. Sichler has also contacted Roy Hildebrandt regarding a contract with the township. Mr. Sichler also stated a plumber the township is using George Bisbort.

It was asked how often these meetings will be held and how will the information be communicated. Mr. Sichler stated he would place it on the agenda for the monthly meetings and can provide an update at that time and an additional workshop meeting can be scheduled once there is sufficient information to share and/or discuss.

Peg Stuart, stated in the last two years nearly 100 homes have been added to the system and Longacre Dairy was reevaluated and their EDU's were decreased. After the last two years the rate should be reevaluated especially with the potential of 250 homes in West Tract.

Laura Pagotto, stated the residents of Spring Valley Village now have curbside recycling and wondered how that will affect the township recycling program. Mr. Sichler said the Red Bard was operational this month and there may have been a bit of a drop in the amount of recycling.

SUPERVISORS

Mr. Sichler announced the torque converter went on the backhoe, the estimate to repair, less the cost for transportation is \$3,395. A motion was made by Thomas Powanda and seconded by David Moyer authorizing the repair of the backhoe at a cost of \$4,495. **No comments received.**

All ayes

Mr. Sichler also stated the township will need to replenish the stock of water meters. A motion was made by Thomas Powanda and seconded by David Moyer authorizing the purchase of six (6) water meters at a cost of \$992.04. **No comments received.**

All ayes

EXECUTIVE SESSION

Executive Session was called at 7:59 p.m. for a personnel matter. The meeting reconvened at 8:27 p.m., no action was taken.

ADJOURNMENT

A motion was made by Thomas Powanda and seconded by David Moyer to adjourn the meeting at approximately 8:27 p.m. **No public comment received.**

All ayes

Respectfully submitted,

Richard Sichler
Manager/Secretary