

February 2, 2017
10:00 AM

The Special Meeting of the Township Board of Supervisors was called to order by Chairman Kehoe.

ATTENDANCE

Phil Kehoe, Chairman
Carl Kuhl, Supervisor
A.W. Castle, III

Catalina Araiza, Manager
Greg Rogalski, Engineer
Michael Pykosh, Solicitor
Karen Lowery, Recording Secretary

RESOLUTION 2017-08

On the motion of Mr. Kuhl, and seconded by Mr. Castle, and by unanimous vote of the Supervisors it was duly RESOLVED to adopt Resolution 2017-08 to apply for a PA Small Water and Sewer Program grant of \$124,950 for a Blossom Terrace Sewer Rehabilitation Project.

RESOLUTION 2017-09

On the motion of Mr. Kuhl, and seconded by Mr. Castle, and by unanimous vote of the Supervisors it was duly RESOLVED to adopt Resolution 2017-07 to apply for a PA Small Water and Sewer Program grant of \$145,000 for a sewer I&I project.

ALLENBERRY EDU & WATER DISCUSSION/SMTMA AGREEMENT/ENGINEER ASSESSMENT

Mr. Pykosh explained that the new owners of Allenberry have made a request for additional flows to be able to develop a tract of land. SMTMA has provided a draft agreement, which Mr. Rogalski will review and compare to the old agreement. Mr. Pykosh added that he believes there are enough EDU's available to accommodate the request for Allenberry. Monroe has paid for an equalization tank with the plant upgrade to help handle flows. In addition, the current agreement states that additional flows can be purchased or added. SMTMA is stating this isn't the case and wants a new agreement.

Mr. Pykosh suggested that one of the Supervisors take lead and be the contact person for Mr. Rogalski, Mr. Lundeen and he have a sounding board for smaller items and discussions to get the open dialogue started with SMTMA.

Mr. Rogalski stated that the initial phase is going to be to review the terms of the agreement, quantify what the impacts are going to be to determine where we currently stand and

what items could be negotiated.

On the motion of Mr. Castle, and seconded by Mr. Kuhl, and by unanimous vote of the Supervisors it was duly RESOLVED to have Chairman Kehoe be the point person for the Allenberry project and discussions with SMTMA.

Mike Kennedy from Allenberry stated that during his last meeting with SMTMA he was hearing that they are fearful of fines from DEP. And that they kept referring to peak flows, they didn't seem to be concerned with the daily flows. Mr. Kennedy contacted Bruce McLanahan from Senator Regan's office who then contacted the Secretary of DEP to help build the bridge and open discussions. He added that public water could be another issue, so they are considering doing a water study for private wells. The goal is to break ground in May or June.

Mr. McLanahan added that Senator Regan met with Secretary McDonald from DEP. DEP is willing to meet with the township to discuss any concerns.

Mr. Kehoe stated that this is an excellent project and will provide significant economic benefits for all parties involved.

Mr. Rogalski provided a memo and spreadsheet dated February 1, 2017 stating concerns and items that would need to be further investigated to determine the impact of the new draft agreement vs. the current agreement.

Mr. Kehoe asked Mr. Rogalski if Pennoni has dealt with other authorities in this situation. Mr. Rogalski said yes, but the structuring was different. He added that DEP has its own punitive structure. Mr. Rogalski stated that he is not aware of SMTMA having any DEP fines due to Monroe's flows.

Mr. Kehoe asked Mr. Lundeen if he had looked at the contract. Mr. Lundeen has briefly looked at the current agreement from 19878. Section 205 provides for additional capacity and there is also a section regarding provisions for fines due to Monroe's flows.

Mr. Kehoe stated there are two items to work on. First, to work with Mr. McLanahan to arrange a meeting with DEP. Second, we need to formally retain Rhoads & Sinon to contact SMTMA council to start negotiations.

Mr. Castle said Senator Regan is on board with this. He asked if Representative Keefer is on board. Ms. Gent said that she was in attendance to learn and Ms. Keefer supports trying to resolve this matter. Mr. Castle suggested that Ms. Keefer contact Mr. Kehoe to see where she can assist.

On the motion of Mr. Kuhl, and seconded by Mr. Castle, and by unanimous vote of the Supervisors it was duly RESOLVED to retain Rhoads & Sinon to proceed with negotiating with SMTMA.

Mr. Rogalski stated that changing from a public water source to wells is a reasonable option and that a water study is key. Changing the source would require a conditional use modification. He added that a risk to consider would be for emergency situations. It was suggested to talk to the fire chief to discuss.

There was discussion about different water options. Mr. Lundeen will include this into his negotiations with SMTMA.

Mr. Kuhl asked about the timing of the project. Mr. Kennedy said they have 16 EDU's in place. The Highway Occupancy Permit and NPDES is close to being ready. Sewer is the major issue. The market for housing is now and the builder is ready to work with them.

Mr. Kehoe stated that there isn't much that is in Monroe's control with the uncertainty that exists with the sewer. He added that other facets of the two township's work well together, such as the road crews, fire departments, school districts, managers, etc., but there are some issues in this area.

PENDING LITIGATION - SMTMA

Mr. Pykosh explained that SMTMA was sued for breached contracts with the project contractors. He added the main contractor defaulted so the bond company was involved. Mr. Rogalski added that we need to review that matter to see if Monroe is responsible for a portion of these fees.

Mr. Pykosh stated that he wanted to bring this matter to light. Once he gets further details he will provide more information.

Mr. Kehoe added that the uncertainty of the SMTMA project makes him question if paying off the 2010 bond is the right choice or if holding onto that money until the pending litigation is determined.

Mr. Kuhl stated that the 2010 bond has a 4% interest rate. The money being discussed is from the northern district. Would it be better to pay off this bond and then borrow additional funds if needed?

On the motion of Mr. Kuhl, and seconded by Mr. Castle, and by unanimous vote of the Supervisors it was duly RESOLVED to obtain PFM's services to make a financial analysis of paying off the northern portion of the 2010 bond vs. borrowing additional money if needed.

Ms. Araiza will obtain the payoff amount and have the analysis done based on the same amount.

On the motion of Mr. Kuhl, and seconded by Mr. Castle, and by unanimous vote of the Supervisors it was duly RESOLVED to have Mr. Pykosh and Mr. Leber review the township's obligation and risk associated with the after projects fees.

ADJOURN

Mr. Kehoe adjourned the special meeting at 11:31 AM

Respectfully submitted,

Karen M. Lowery
Recording Secretary