

CHADDS FORD TOWNSHIP SEWER AUTHORITY
MINUTES of the MEETING of NOVEMBER 18, 2008
Meeting No. 228

The 228th meeting of the Chadds Ford Township Sewer Authority was held on this date in the Chadds Ford Township building.

Present: Chairman Keith Klaver, Vice-Chairman/Treasurer Marc Altman, Secretary Paul Koch, Member Roland Martin, Member James Egan.

Also attending were J. Michael Sheridan, Esq., Authority solicitor; Joseph DiMatteo, Delcora foreman; Michael DiSantis, Delcora director of operations; Evan Andrews, Authority engineer; and Mary J. Walter, Authority asst. secretary/asst. treasurer.

Chairman Klaver called the meeting to order at 7:00 p.m.

ANNOUNCEMENTS:

1. Mr. Klaver met with Township Supervisors Garry Paul and George Thorpe to discuss what sewer-related matters might be handled by a Township Manager, should one be hired; how much time the Authority might require of a Township Manager; and what sharing there might be of salary and benefits costs. Mr. Klaver said the Authority might consider future negotiations with the Township when the type of individual or "skill set" desired in a Township Manager is identified.
2. Mr. Klaver and Mr. Egan met with representatives of Calvary Chapel about connecting to the Turners Mill plant. The matter will be discussed further during new business.

MINUTES:

The minutes of the October 21, 2008 meeting were approved on a motion by Mr. Martin and a second by Mr. Egan.

PUBLIC COMMENT: NONE

DELCORA/RIDINGS WASTEWATER TREATMENT PLANT

Mr. DiMatteo reviewed his written report.

1. There were no violations for the month of October 2008.
2. On October 2, DEP representatives visited the Ridings facility and reviewed the Disc Filter. They also inspected the cascade and creek area and found no concerns.
3. The disc filter was in operation for the whole month, but due to excessive solids passing through the filter panels, it was necessary to reactivate the sand filter. Air and piping repairs were made and a portion of the sand was reused and the sand filter was put back in operation on October 22. The disc filter and the sand filter are being operated simultaneously to achieve effluent compliance in Total Suspended Solids.

DELCORA/TURNERS MILL WASTEWATER TREATMENT PLANT:

Mr. DiMatteo reviewed his written report.

1. There were no violations reported for the month of September.
2. The #2 anoxic mixer has repeatedly failed under high amperage due to a problem with the motor. The #1 mixer, a replica of the #2, is running fine. The #2 mixer has been returned for repair four times.
3. There were considerable failures of both return activated sludge pumps that were clogged with rags and debris. The bar screen is being serviced and cleaned on a weekly basis; this additional labor appears to assist in capturing more of the debris onto the discharge chute.
4. Mr. DiMatteo advised that the Flygt technician reported that there is no startup report for the Flygt pumps. Without the report, Flygt will not honor a warranty. He is concerned that there have not been suitable startups for much of the equipment at the plant, which may explain some of the questionable plant performance. Mr. Andrews reported that when representatives of the Authority, the Township, Toll Bros. and Dutchland met about checklist items, assurances were given that all warranty information was completed and would be transferred. The Board authorized Mr. Altman and Mr. Sheridan to follow up with Township Solicitor Hugh Donaghue with the Board's concerns. Mr. Martin suggested Mr. Andrews contact manufacturers to determine if they received the appropriate startup warranty period documentation for their equipment at Turners Mill.
5. The generator and bar screen checklist items have been completed.

ENGINEER'S REPORT:

1. Mr. Andrews reported that the Knights Bridge and Springhill Farm treatment facilities were inspected. He noted that the Knights Bridge plant has repeatedly reported several permit violations to the DEP. Carrabbas Restaurant has been identified as the source of excessive grease and oil and is being monitored for corrective measures.
2. Mr. Andrews reported that Pennoni has inspected the grease traps at all the Grace properties in the Township. He also noted that Township Code Enforcement Officer Richard Jensen inspects quarterly the remaining grease traps in the Township. Mr. Jensen noted compliance concerns with the Five Guys and Carrabbas restaurants.
3. The DEP has not yet officially responded to the Authority's Corrective Action Plan.

Page 3
CFTSA Minutes
November 18, 2008

4. One addendum will supplement the recent Ridings filter RFP. The addendum will address questions posed by prospective bidders. Mr. Andrews noted that the new filter will need to be housed in a building. Mr. Altman asked if Siemens has requested the RFP and if they are aware of the issuing of the RFP. Siemens has not requested the RFP, but they are aware of it.
5. Mr. Andrews and Mr. Klaver reviewed the Turners Mill capacity. Over 70% of the capacity already has been committed. The Brandywine River Hotel and the Chadds Ford Barn Shoppes are expected to connect to the plant by the end of the year. The hotel may need additional capacity, based on water usage. Several vacant properties also have capacity reserved through the 537 Sewerage Plan. Mr. Andrews discussed some preliminary plans Pennoni has considered for possible expansion of the Turners Mill plant.
6. The Board specifically discussed how the proposed Grace Development on Route 202 near Dilworthtown Road would affect the plant and what the associated costs would be. Mr. Klaver noted that due to the current commitments for flows and its current construction, the Turners Mill plant would not be able to accept the upper range of the 40,000 gallons per day projected flows from the proposed Grace development. He also reminded the Board that even if the flows from the proposed Grace development could be handled if the Turners Mill plant was expanded, the Township would have to revise its 537 Plan to accommodate the Grace property flows and would have to have funding committed to pay for the collection system.

At 7:50 p.m. the Board convened an Executive Session. The Board adjourned the Executive Session at 8:55 p.m. and reconvened the public meeting. Mr. Klaver announced that the Board discussed ongoing issues with the Siemens disc filter and future communication with Siemens representatives.

SOLICITOR'S REPORT:

1. Mr. Sheridan reported on the monthly informational call he and Mr. Klaver had with DEP officials. The DEP representatives were most concerned that the sand filter would not solely be servicing the Ridings plant. They were assured that would not be the case.
2. A tentative closing date during the second week of December has been set for the Pennvest loan. Pennvest still is requiring further documentation of the transfer of title, land lease agreement, and amount of capital contribution for the Turners Mill plant from the Township to the CFTSA. Mr. Sheridan and Mr. Donaghue have drafted agreements for signature. On a motion from Mr. Altman and a second by Mr. Martin, the Board authorized Mr. Klaver to execute the transfer of title and ownership agreements for the Turners Mill plant.

Page 4
CFTSA Minutes
November 18, 2008

3. Mr. Sheridan has sent a letter to RD0004 requesting that the property owner comply with the terms of the District Justice action and pay to date the current user fee portion of the account by November 24.
4. District Justice action has been filed against SD0005 for non-payment of user fees.
5. On December 1, final 30-day letters will be sent to all users of the Turners Mill plant whose tapping fees have not be paid in full. Liens will be filed December 31, 2008 if full payment is not received.

TREASURER'S REPORT:

1. Mr. Altman resigned as treasurer. He will continue to serve as vice-chairman.
2. On a motion from Mr. Klaver and a second by Mr. Altman, Mr. Egan was appointed treasurer.
3. Mr. Egan reported he met with Pligit representatives to discuss investment opportunities. Due to high administrative costs with Pligit, Mr. Egan recommends the Board consider local banks. He hopes to report back with an investment strategy at the December meeting.
4. The annual insurance renewal meeting will be held with H.A. Thompson representatives on December 1.
5. Mr. Egan proposed that the Board seek information from local CPAs with expertise in sewer authority finances for the 2008 audit. He noted that phone calls were made to a half-dozen local sewer authorities to determine which auditors they use, and every authority uses a different auditor. Mr. Altman expressed concern if there would be sufficient time to evaluate prospective auditors' qualifications. A formal RFP is not required because the audit is considered a personal services contract. Mr. Klaver noted that the Authority is not obligated to appoint the auditor at the January 2009 meeting. On a motion from Mr. Altman and a second by Mr. Martin, the Board authorized Mr. Egan to seek proposals from prospective auditors.
6. Mr. Egan noted that the Ridings facility continues to operate at a deficit.
7. On motion from Mr. Egan and a second by Mr. Koch, the Board approved the treasurer's report and the accounts payable report for the Ridings plant including: monthly bills of \$13,824.90, debit card purchases of \$30.20, ACH payments for Verizon and PECO of \$1968.91, ACH payment for the Sovereign Bank loan \$6378.69, ACH payment for the DVRFA loan of \$669.22, net payroll of \$1076.56, payroll liabilities of \$1327.00 and QuickBooks charges of \$217.76 were approved.

Page 5
CFTSA Minutes
November 18, 2008

8. On a motion from Mr. Egan and a second by Mr. Koch, the Board approved the treasurer's report and the accounts payable report for the Turners Mill plant including bills in the amount \$9265.06 and Quickbooks charges of \$9.95.
9. Mr. Egan noted that a balance sheet was not provided because the Turners Mill transaction has not yet been recorded.

OLD BUSINESS:

1. Mr. Martin reported on the progress of the website. He asked the Board to review the test site and provide comments. The website will be hosted on the Township server when it is uploaded in its final form. The expected launch date is January 1, 2009. A note about the site will be included on the January 1 invoices. The Board discussed including Board phone numbers, e-mail addresses, and photos.

NEW BUSINESS:

1. The January invoices also will include a note about paperless invoices and payments.
2. The Board discussed the proposed rate study and related policy questions affecting the rate study, specifically if the Authority will continue to follow the historical single-rate structure. Mr. Altman noted that explicit direction must be provided to Mr. Andrews about how to allocate or consolidate costs based on the Authority's recommended rate structure. On a motion from Mr. Koch and a second by Mr. Altman, the Board accepted the rate study proposal previously submitted by Pennoni Engineers for the Ridings and Turners Mill Wastewater Treatment plants, not to exceed \$2250.00 and to be initiated by Mr. Andrews as soon as adequate data is available. Mr. Koch stressed that the rate study include not only appropriate capital reserve funding, but also how to anticipate future potential expenses such as for unforeseen contingencies.
3. Mr. Klaver reported on the meeting with representatives of the Calvary Chapel. The discussion centered on whether the Chapel should be connected to the Knights Bridge plant, as specified in the 537 plan, or to Turners Mill. At present, capacity is not available in Knights Bridge. The Chapel representatives have been told that the Township would consider amending the 537 plan to allow connection to Turners Mill under that condition that Calvary Chapel constructs a collection line from their property to Route 1 and down to Southpoint to connect to the system or under the highway and connect through Painters Crossing. The change to the 537 plan would require that the businesses and homes along the new collection route would have to connect to Turners Mill.

Page 6
CFTSA Minutes
November 18, 2008

The initial capacity for Calvary Chapel would be 1200 gallons per day to 6 EDUs, with a possible full capacity of 4500 gallons per day or 20 EDUs, depending on future expansion plans. Calvary Chapel would have to pay for 6 EDUs up front, all user fees, and no water usage until connected. A specific period of time would be negotiated for the payment of the additional 14 EDUs. Given the lengthy collection line required to connect to the Turners Mill plant, it would appear that connecting to Knights Bridge would be a more economical option for the Chapel.

The Board discussed what options are available legally to the Authority should Calvary Chapel, after paying for the initial 6 EDUs, instead be able to connect to the Knights Bridge facility.

On a motion from Mr. Altman and a second by Mr. Egan, the Board voted 4-0-1 to authorize Mr. Klaver to negotiate a contract with Calvary Chapel for payment of an initial 6 EDUs and possible connection to the Turners Mill plant, subject to a revision of the 537 Plan by the Township. Mr. Koch recused himself from the discussion and abstained from the vote.

ADJOURNMENT: The meeting was adjourned at 10:05 p.m. on a motion from Mr. Martin and a second by Mr. Egan.

Respectfully submitted,
Mary J. Walter, Asst. Secretary/Asst. Treasurer