ROUTE 209 SEWAGE PROJECT
MEETING MINUTES
MARCH 11, 2020

Meeting opened at 3:00 PM
Present were:
Bill Pitman, Dakota Hendricks, Robert Knowles, Peggy Emanuel, Fred Weber, Al Johns, Al Schneider, Joe Sain, Tim Gartner, Nick May, Paul Fischer, Frank Tarquinio, Dimitri Koby, Robert Dilorenzo, Erica Burnett, Mark Spatz, Jeri Ely, Midge Curreri, Eric Kudrich, Dave Clark, Tony Waldron, Mike Mrozinski and via telephone Matt Roberts.

Minutes from February 5, 2020 Meeting – Approved

An update regarding the 537 planning process was provided by Mark Spatz from HRG. On our status report has the continuing list of the OLDS surveys we still need to do. We will be back out starting March 16th to complete those now that the weather is getting nicer. About 88 OLDS surveys have to be done. Matt Roberts said Milford Borough has one left. Mike Mrozinski asked about the wells. Mark said we are trying not to do well samples. We did not include that as a part of our scope. We were under the impression that the main corridor was on public water service and also the Borough. We did not include that from a costing standpoint. Additionally, with a 537 plan you don't want to do more than you need to. It can lead to other questions, comments and concerns. If we do well samples and there are issues with the wells then DEP will see that and they might be a little more heavy-handed. If that is the situation, the core of the properties in the study area has public water available. If there is some issue on other properies after this, they would have the option of connecting to public sewer service and have the option now to connecting into public water supply. That is our stance on that. In the future DEP may, through the review process, make us do well samples.

Mark displayed the maps that the municipalities saw before (with Options 1A, 1B and different ways approaching the structural alternatives to the on-site system). On site treatment is established, we don't need an alternative to that. If people have systems that are failing right now they can remediate their system, and if they can't remediate the current system in it's location, they can make a new system in a secondary location if they have space. That is the issue, most people in the Boroughs don't have space, especially the commercials. The third thing from there is they can go to storage and then that gets pumped. The problem with the storage is it costs a ton because you're not able to leach off the water that's going down the toilet. Most of it is water and that's what the systems do – they take the water out of it so when you're getting it pumped by a pump truck you're not hauling the water. The water is getting leached into the ground in various different ways. When you have a failing system you can't remediate it and you don't have a secondary location for it, now you're stuck with just pump and haul and that's what really can be expensive. These are the alternatives to the existing on-site that's established already. We don't have alternatives for on-site because we don't need them, it's occurring. With regard to the name of the maps, HRG is not the architect of this naming process, this process is well established since the 1960's and every town has to go through it. If you're doing sewer planning, you have to go through the same processes. This is what DEP expects to see. They need to approve it, so if you don't follow their guidelines, they won't. When you see some of the naming on the maps, it is required naming. If you see something that doesn't make sense to you, please bring it up. For example, the alternative naming on the map, that is the required naming form. If a question comes up, I'm not saying it's not valid, but the

answer might be that's what we have to call it. In the e-mail I sent out to the stakeholders' group there was a link and if you followed the link you can download these PDF's. There are 7 PDF's and you can download them for a closer view. There are 26 maps. Mark went through the maps. Each alternative has plusses and minuses. When we're looking at the costing, the cost to purchase the grinder pumps is in the system costs for comparison. We have a good apples to apples comparison. A meeting attendee asked Mark if all of these options were worked out? Mark replied yes (cost-wise). Mark pointed out that with branching out, it adds costs but it adds connectors. The actual branching out costs more, yet you end up with a higher rate because you're collecting more customers, but the main flow is from the commercial areas. The cost per customer goes up because you're not getting as much flow, they're not as dense as you branch out. Instead of a rate of $64 a month, it could be a rate of $65 per month. You'll see it in the numbers – as you collect more customers, the cost goes up. Mark continued to go through the maps and alternatives. We're trying to make alternatives that we think could be a reality. All the low pressure alternatives take into account the cost of the grinder pumps. We estimate about $8K per grinder pump and $12K if it's a duplex. A lot of commercials like to have a duplex station so if one pump would fail they have a back-up pump. The grinder pumps should be cheaper than that, when we did this in Westfall they were $4K per – that was 8 years ago.

Mark continued with the different estimates and talked about the project costs and alternatives. The reason there are so many different pages in the PDF is because there are different funding options. Estimated grant amounts come off the project costs. Mark used Option 1C as an example, gravity going down the main with a pump station. In this option there would be a new pump station and there would have to be a site for that. It needs to be a location that could have an easement from a property owner or municipal property. If this would be a desired alternative, you have to start thinking about that. A meeting attendee asked what size we need for a pump station? Mark answered about 15' X 15', it's all underground. We are estimating for a pump station that doesn't have a back-up generator, there would be secondary power or plug-in, and an automatic transfer switch. Westfall has a mobile generator. The pump station would most likely be owned by the borough, so our recommendation would be just to have a secondary mobile generator. You can get other uses from it if you need power somewhere else. Mike Mrozinski asked about Option 1B, he said it is less expensive – what is the difference between the two? Mark Spatz answered Option 1B is a pressure system. Each property would need a grinder pump – that's the difference. Grinder pumps versus gravity - grinder pumps are a cheaper alternative. We estimate $8K per grinder pump – that's a high number, you can probably get if for $5K, but I can't guarantee that. We put a 20% contingency on all these costs. There's a layer of higher than expected numbers because we need to estimate that the cost is going to be here and, as the project gets refined, hopefully that comes down. We always shoot high, but as we go we're always looking for opportunities for that number to come down. Mike Mrozinski added that 1C is preferred because it's up front, paid for by grants and the municipality. If we go with 1B, then homeowners are impacted, but the price is lower overall. Mark said he would say they are impacted less to some extent because the grinder pump can go anywhere, whereas gravity has got to have slope and then flow. You get into conflicts too with gravity. Utilities don't ever know where the systems are in the roads and even municipalities don't know and stuff has to flow with gravity. If there is some pipe in the way, it could be a major deal. With a pressurized system you just go underneath it, no big deal. There are some nice benefits to a pressurized system. The only real downside is that you have a mechanical system that the homeowner would use and that pump will need to be replaced at some point. Mark was asked if he and Matt could put together a brief description for each of these alternatives. Matt answered yes,

basically give a summary to explain the thought process with the alternatives – I have that pretty much written up for the 537. That will be easy to get out.

A meeting attendee asked what an "EDU" is? Mark answered EDU is Equivalent Dwelling Unit and we estimated that 262.5 gallons per day in Westfall. One EDU is one house. Each house is assumed to be an EDU -267 gallons.

Do we know what the average cost would be to run each one that we have? Mark answered the pump stations cost about $350K-$400K and the pumps are about $5K-$8K. The structure of the pump station might last about 20 years and the mechanical should last 20-30 years. It depends on how well you maintained it. You have to use the pump stations how they're supposed to be used. It's like your car, do you change your oil regularly like you're supposed to? Things like that.

The same meeting attendee said they couldn't see "blowing over" the alternatives to on-lot systems, we're looking at cesspools, upgraded cesspools and cesspools that are functioning fine. Mark answered that this is not a study to figure out what each property can do with their own system. If your system is failing, you have to figure out what you're going to do with it. It varies per system and it varies what the soils are. This is not a study to do a system and figure out which property needs to do with their system. We are going out to inspect the systems to see if they fail or not, but we're not figuring out alternatives for them. The alternative would be to hook up to the system. Mark was asked what determines if they fail or not? Mark responded that DEP has a prescribed guidance for if a system fails and it's not pass or fail, there's gradations in between. The categories are: no malfunction, suspected malfunction, potential, probable malfunction and confirmed malfunction. We did not make up these definitions-they are from the DEP. If it's a cesspool, it's suspected. It's not a confirmed malfunction - unless you see signs of the malfunction. If you see signs of lots of grass or septic smell, that's a confirmed malfunction. No malfunction is a newer system that already is permitted or a more modern system that seems to be functioning. DEP mandates that we do 15% of the overall community to do on-site inspections. The townships have just 88 more to go and 1 in the borough. That will just get reported back. There is some confirmed malfunctions shown on the map, but there are no big patterns. There is basically a lot of suspected malfunctions because there are a lot of cesspools. A meeting attendee asked who or how is it determined which grants we receive or is it set by townships/boroughs? Mark answered it is set by the townships and boroughs. There is a methodology and there are laws in regard to tapping fees. It's basic as you take the project costs minus grants and all other funding, so the remaining costs you have to finance. If you have a system that is built bigger, the plan for the future a hundred years from now, that makes the capacity of that system huge and that makes the pipes twice the size, the construction costs goes up too. You're increasing cost, but not that much – the capacity goes up a lot. If you're taking the project costs divided by the capacity that cost pushes the tapping fee down because you're trying to get to a metric where after everybody is connected and then the cost of construction is gone. Another meeting attendee asked about the cost for the system – does that include all the pump stations and pumps and control panels? Mark answered yes. Anthony Waldron asked Mark about the summary of finances – what are those numbers based on? Mark answered that this is assuming 25% grant and 75% loan at 2.063% interest for 20 years. Anthony Waldron asked if that is the rate if you went to PennVest? Mark answered yes – it's about the current rate. Pre-2008 PennVest would hold 2% and no private entity would ever touch 2% - that's a Federally Subsidized Loan Program type of thing. Now, interest rates are so low that private sector banking might not only match it, but beat it. Anthony Waldron added private sector banking also gets a tax adjustment if they do loan to a private entity. If the rate was 5% to a business, it

might be 4% to a public project. Mark continued - we're taking the project cost minus the grant and minus the income from tapping fees and you end up with the estimated project cost less grant and tapping fees. Then we're doing debt service which is a little more complicated. That's where we're getting into the interest rates for the term of the loan and the estimated debt service. We plug in those 2 numbers and that will be the annual payment for principal and interest on a 2% interest rate on 20 year loan for $1.9M. Westfall's rate would stay the same, it is not going to go down. Meeting attendee Bill Pitman asked how many total EDU's are there for Westfall, Matamoras, Milford Township and Milford Borough? Mark responded the 200 range in the Matamoras area, in Milford they're closer to the 400's – it varies depending on which alternative is selected. Bill Pitman asked generally? Mark answered I don't know probably 500-600 EDU's. Discussion continued with alternatives. A meeting attendee asked about the highlighted Milford/Broad Street cost – how much? Mark Spatz clarified construction - $7.2M. The same meeting attendee asked is that just for Milford/Broad Street? Mark responded no $7.2M is for the entire alternative for Westfall all the way to Milford. Pick one of the alternatives and say how much is the whole project to do Matamoras, Westfall, Milford Borough and Milford Township-what's the total cost of this project? Mark responded that is what we have. For this alternative it's $7.9M for the total project using that alternative. A meeting attendee asked if it will be mandatory for the homeowners in Milford? Mark answered that this is a determination that the Borough will need to come to, but I keep coming back to this. You can't build this for $7.9M and have nobody connect or you won't get a loan. Meeting attendee Midge Curreri asked about going through the alleys instead of the main roads? Mark answered if this alternative is selected, that is what it is. She asked what they will do with the garages and sheds against the alleys? She was told they are going right down the alley up the middle with a small excavator – it can come down sight unseen right in the middle of the alley. Midge Curreri then asked about the alley behind her home and the road in front of her home, what about people with no alley? Are you tearing up the road in front of my house and my alley? Mark responded that we will either go down the alley or go down West Harford Street, if they're not adjacent to the lot they can stay on their (on-lot) private systems. Midge Curreri then asked if she has that option? Mark answered that needs to be figured out by the borough, wherever the line is routed. Frank Tarquinio asked what's the difference from the main line, how many feet is it on either side? When the State was here they said anybody between 100' and 150'. Mark responded that is right, within 100' and 150' which is the determined number – the borough will need to pick a number. That's for a mandatory connection. If you go non-mandatory connection, politically that might be better, but now it's free – how are you going to fund it? People may connect, but you're never going to get money from a private or public bank for people that "may" connect. It's like saying I'm going to build this big business, I 'may" have customers or not – just give me the money. They're not going to – they want to see your business plan and make sure you have revenue to pay back. If people aren't prepared to connect, you can't build it. You have to get the planning through for them to take these next steps – one hurdle at a time. Midge Curreri asked if property owners could take out a loan for 20 years – do you realize most of the homeowners around here are over 60? Mike Mrozinski replied they could take it out for 5 years.

An attendee asked where do we go from here, what do you want from us? Mark Spatz answered once there is feedback please get it back to me over the next couple of weeks. This is what you're going to see in the plan if I don't hear anything. These alternatives need to be boiled down to a selected alternative by the town (before we submit the Plan, a couple of months away). It's not a rush. Mike Mrozinski added it might be prudent to have HRG work with each municipality to gather their specifics. Al Schneider said it was stated that there were about 400 units in Milford Borough, but along the main lines there's not 400 homes. Mark said but there are businesses that have a lot of flow. Mark Spatz said depending on the business, a business could be 100 EDU's and

that's how much flow they have, 60K gallons a day. A meeting attendee, Erica Burnett asked about Westfall Township. Mark Spatz pointed out on the map where Westfall is looking to make the extension from Walmart to the Milford Township line (Tractor Supply) and indicating that Westfall does not have any connection requirements.

Meeting attendee Bill Pittman asked if there are any plans to include the school district? Anthony Waldron said it would go past the school district. The school needs to update its' wastewater treatment plant. They're looking at options. Mark Spatz said they'll have to pay for the connections to get to them and put them in, the line would go in front. That's one of the motivations to get the lines down. There are other businesses along the way. Al Schneider said they will send letters to numerous people along Route 209 and the school district. Mark Spatz added that with funding it's not one thing, it's grants, loan options, public/private partnerships and things like that.

Bill Pitman asked if a homeowner along the 3-lane has a septic system and they're going to hook up to the sewer line, what costs are they going to incur to get rid of their old sewer system? Mark Spatz answered we don't put that information in a 537 plan. We do the plan with the municipalities and then there's an advertised public comment period at the end of the plan, after the draft. We're not there yet, that will be in the plan – some ranges on installation. Generally, we have to work with the SEO. Usually, if they have to get a pump so that whatever is in there gets cleaned up and then basically you pour rock or sand back into it. The other part is getting routed out to the line. Matt Roberts added there is assistance if a resident is on a fixed income or if they're elderly there are grant programs out there. If they're truly in a bad position then grants are available. Bill Pittman asked if there is an average percentage for raising property value with the sewage? Mark Spatz answered he doesn't know, but the best person to ask is a real estate agent or appraiser. If the system is old, an average system would last 30 years, if I know the system is 20 years old, I'm taking off at least $10K-$12K because it's going to need to be replaced. Anthony Waldron stated that it does up the property value. Mark Spatz said so property values will go up, but the percentage is varying. In reference to the cost for hook up, if you're going with the grinder pumps and pressurized system, you're actually lowering the average cost of the hookup as you're putting in a grinder pump where the existence already comes out of the house and pump it rather than tearing apart the basement and switch to gravity feed. A lot of people won't be able to go around the house with gravity feed. Mark Spatz added that the grinder pump can be put right where your old system is. There are some limitations, the wiring can't be over 100'. There are costs inside the house because you have to have electricity. Anthony Waldron asked Mark that even if the property values go up, does that trigger a tax reassessment? Mark answered no. Anthony Waldron said the only way that would become an issue is if the county reassessed at some point. Meeting attendee Dimitri Koby from Matamoras asked if Mark could explain the $8K price on grinder pumps? Mark Spatz answered that the $8K is built into the cost estimates. The project will purchase the pumps, not the homeowner. Dimitri Koby then asked if each of the property owners and businesses are on Pennsylvania Avenue, you have the tank and grinder pump – is that $8K? Mark Spatz said yes, into the project costs, not the homeowner. Dimitri Koby then asked what would be the cost for pump replacement if something went wrong with it? Mark Spatz said it varies, my pump for my house, which is a centrifugal pump, was $1,300 or $1,200. Dimitri asked if you take $1,300 and subtract it from $8K, what is the difference, is it the tank, the alarm system or the float? Mark replied the $8K is a conservative number. Dimitri went on the say that back in the day they didn't have grinder pumps, everything went in to the holding tank and would have to be pumped out. Mark said you're talking about a non-clog pump which you see in pump station. You can't use a non-clog pump in a residential grinder application. A non-clog pump has to spin and pump a lot of water to be able to actually

activate the pump. Residential doesn't have enough flow to do that. Mark was asked if they will have to have a back-up pump? Mark replied not for residential. There's no direct regulation for commercial because there's not a part 2 permit for just the commercial. However, I would never recommend commercial not have 2 pumps. The purchasing of all the stuff in the plan is going to be all publically and competitively bid on. The only contractor that is going to win to do this work is after it's advertised and it's going to be the lowest bid. Municipalities are going to let the bids out, they are not going to have a choice, it has to be lowest bid. This will be built as cheaply as it can be because you have to go with the lowest bid. Anthony Waldron added the lowest, responsible bidder-you don't want someone who is going to cut corners. Mark responded that you would have to have damning evidence to not select the lowest bidder because you will likely get sued. Anthony Waldron said you can require contractors to prove that they have the money to do the job, the experience to do the job and that they haven't had any problems before.

Mark Spatz reminded the stakeholders they need to look at all the information and it was agreed that someone would sit down with each municipality and go through it. Mark said that Matt Roberts will be in Milford Township starting next week performing on-site inspections. Matt Roberts was asked to call Milford Township and talk to Shahana.

With no other questions, the meeting adjourned. Next meeting will be on April 1, 2020 at 3:00 PM in the Commissioners' Meeting Room.#