

Caln Township Municipal Authority

Monday, April 22, 2013

7:00 PM

Those Present:

Robert Tompkins, Vice Chair
John Contento, Treasurer
Matthew Plagens, Assistant Treasurer
Jim Kruse, Secretary
Gregory Prowant, Township Manager
Scot Gill, Director
Mary Kemble Slade, Recording Secretary
Bill Dingman, P.E., CTMA Engineer

Absent:

Paul Mullin, Chairperson

Minutes of the March 25, 2013 Meeting:

Mr. Tompkins inquired if there were any additions or corrections to the above minutes. He identified an error in the Adjournment section, documenting him as seconding the motion to adjourn the meeting although he was not present. Staff will correct to reflect the appropriate Board member. Mr. Contento motioned to approve the March 25, 2013 meeting minutes with the revision as noted. Mr. Plagens seconded the motion, with all voting Aye.

Public Comment:

None

Dwell at Caln Update:

Mr. Gill informed the Board that representatives of Dwell at Caln were present, noting they have been in discussions with the Authority's solicitor and Township staff in an effort to come to an understanding on sewer capacity for this project. Mr. Louis Colagreco, Esquire, of Riley Riper Hollin and Colagreco, attorney for the developer Klein Companies, introduced himself along with Clay Chandler and Jim Tomaino of Klein Companies. Mr. Colagreco wished to familiarize the Board with this project, a proposed mixed development of apartments and townhouses with a total of 400 units (equating to 400 EDU's for sewer capacity purposes). He reported the Board of Commissioners had given tentative PRD approval, which coincided with the recession in the housing market. With it appearing some recovery is taking place, lenders are continuing to be cautious in financing such a project. He noted the site will be extremely expensive to develop and incur significant capital costs, including necessary improvements to Route 322 and purchasing sewage and bringing it to the site. Thus, he wished to discuss various proposals allowing the project to move forward while minimizing risk to the Authority and developer, and proceed to enter into a Sewage Reservation Agreement which the Authority's solicitor would prepare. Lengthy discussion followed with Dwell representatives, the Board and Township staff participating, in an effort to develop essential terms comprised of potential phased payments to include a nonrefundable payment of \$60,000 with a total commitment of 1.8

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million, including a payment of approximately \$210,000 to PAWC for tapping fees due upon PADEP planning module approval, timing of the project and construction of the pump station, connection requirements, regulatory planning and the potential for delays, and possible partial reimbursement of fees. Upon deliberation of these items, Mr. Colagreco suggested an alternative agreement might be considered, in order to set terms for a period of time prior to signing a Sewage Capacity Reservation Agreement. Mr. Chandler addressed time frames further, suggesting from the date the Reservation Agreement is signed there be a period of three years to allow the project to be fully approved and pay the total amount agreed upon (1.8 million), with a maximum of two one year extensions in case of regulatory delays. After Board discussion, Mr. Contento expressed the Board as being open to considering the two one year extensions, but noted limited capacity at this time along with delaying construction of the pump station for up to five years could put a bind on other development, thus there should be an inflationary cost factor included. Related to EDU's, he advised that the Board might consider the \$60,000 payment to be the equivalent of 20 EDU's to allow the developer an asset with no additional monies beyond the \$270,000 discussed. Additionally, if the project is not started or fully built out five years after the \$210,000 is paid to PAWC for tapping fees, locking in 400 EDU's, any unused EDU's must be relinquished. Discussion continued on the potential commencement date of the five year period. Mr. Colagreco proposed when the infrastructure is in place, and Mr. Contento countered with it being upon the groundbreaking of the pump station. Dwell representatives inquired how long it would take to construct the pump station, and Mr. Dingman replied approximately 10 months. After further conversation, Mr. Colagreco summarized the key items discussed, advising he will forward to Mr. Gill via email to verify the information and to the Authority's solicitor in order to create an agreement. There were no further questions and Mr. Colagreco thanked the Board for their time. The Board will await recommendations and proposed agreement language from the solicitor so that actual consideration and possible approval of an agreement could be completed.

Popeye's Louisiana Kitchen Capacity Request:

Mr. Gill offered a Sewer Capacity Reservation Agreement required for this project, which is to be located on an out parcel within Caln Plaza Shopping Center. He reminded the certification of capacity for 4 EDU's was completed at last month's meeting, with the shopping center having acquired 3 EDU's in the past under a prior land development plan and the developer required to purchase one additional EDU. Mr. Gill explained the agreement addresses this capacity, and also includes a Relinquishment of Capacity Agreement if needed at a future date. He advised the agreement was executed by the developer and in need of execution by the Authority to finalize, however the original signed documents did not arrive in time for the meeting. Mr. Tompkins was amenable to coordinating execution of the agreement upon its delivery. Mr. Kruse motioned to approve the Sewer Capacity Reservation Agreement between Caln Township Municipal Authority, Caln Plaza, LLC, and 1895 Lincoln Highway, LP. Mr. Plagens seconded the motion, with all voting Aye.

Triton Seafood Restaurant Capacity Request:

Mr. Gill reported this proposed project consists of a seafood restaurant with approximately 50 seats and offering take-out service, located at 3911 West Lincoln Highway in Caln Village Shopping Center. The prior occupant was

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Blockbuster Video, which was assigned 1 EDU. He informed the Board Triton Restaurant's usage is estimated to be 750 gallons per day (3 EDU's), based on water usage calculated by the project engineer and reviewed by Mr. Dingman. The Department will be forwarding a Planning Module exemption request to the PADEP, which will include the capacity certification. Mr. Contento motioned to approve the allocation of 2 additional EDU's to this project, authorizing Mr. Tompkins to sign the Written Certification. Mr. Kruse seconded the motion, with all voting Aye.

16 Granger Lane O&M for Grinder Pump Agreement:

Mr. Gill updated the Board on this item, previously discussed at the January meeting, reporting this property is in the process of finalizing connection to the public sewer via an easement through a neighboring property in order to access the Kings Grant system. However, it was necessary for the property owner to correct the deed in order to complete the necessary agreement, and this is in process. He offered the required Operation and Maintenance Agreement for Grinder Pump System, executed by the property owner and requiring the signatures of Mr. Tompkins and Mr. Kruse to finalize. Mr. Kruse motioned to approve the 16 Granger Lane O&M for Grinder Pump System between the property owner and Caln Township Municipal Authority. Mr. Contento seconded the motion, with all voting Aye.

Financials:

Mr. Prowant and the Board reviewed the cash basis summary and detailed accrual reports of revenues and expenditures for the Sewer Operating Fund and Municipal Authority Capital Fund (Tapping Fee Account) through 3/31/13. Mr. Contento motioned to approve the financial reports. Mr. Plagens seconded the motion, with all voting Aye. Also reviewed were reports reflecting current year accounts past due, prior year's outstanding balances sent to Portnoff Law Associates for collection, and the status of in house commercial collections. Mr. Gill reported the delinquency notices recently sent are within the second notice period, requiring a response within 10 days, with the Finance Department still collecting and the accounts not yet sent to Portnoff for collection. He referenced the total delinquent amount related to sewer as of mid April to be approximately \$86,000, noting this would run about 5%, slightly higher than the prior year. A report on 2013 projected revenues and expenditures was offered with no questions.

King Bagels Sewer Billing:

Mr. Gill informed the Board he recently reviewed EDU's assigned to Caln Village shopping center, due to a potential new restaurant to be located in the former Blockbuster space. It came to his attention that King Bagels has been billed in duplicate by both the Township and shopping center management, which receives a bill for the entire center. King Bagels has been paying the shopping center directly and disregarding the bill from the Township, which reflects an outstanding amount of \$488.52. He offered correspondence from the management company for Caln Village, requesting the Township discontinue billing this tenant. Mr. Contento motioned to credit/remove the outstanding charges under the King Bagel account. Mr. Plagens seconded the motion, noting the account should be inactivated moving forward. All members voted Aye.

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Directors Report:

Mr. Gill reviewed his Departmental report for the month of March. He reported the crew has continued to work in the PAWC service area to locate and repair any manholes which may be accepting surface and subsurface water, and the use of the vacuum truck used to clean lines will be increasing in April. He also updated the Board on a potential new hire, informing that the Department advertised for an open Wastewater Maintenance position, with interviews held last week and it being narrowed down to one individual.

Adjournment:

There being no further business, Mr. Contento motioned to adjourn the meeting at 9:10 p.m. Mr. Plagens seconded the motion, with all voting Aye. The next Authority meeting is scheduled for Monday, May 20, 2013.

These are the minutes of the Municipal Authority Board meeting to the best of my knowledge.

Respectfully Submitted

Mary Kemble Slade, Recording Secretary