

# Caln Township Municipal Authority

Monday, May 19, 2014

6:00 PM

## **Those Present:**

Matthew Plagens, Treasurer  
John Contento, Assistant Treasurer  
Jim Kruse, Secretary  
Scot Gill, Director  
Mary Kemble Slade, Recording Secretary  
Karen Wertz, CPA, Director of Financial Services  
Larry Maulo, Jr., CPA, Maulo & Company, Ltd.

## **Scheduled Absence:**

Paul Mullin, Chairperson  
Robert Tompkins, Vice Chair  
Gregory Prowant, Township Manager  
Bill Dingman, P.E., CTMA Engineer

## **Nominate Acting Chairperson:**

Mr. Kruse motioned to nominate Mr. Plagens as acting Chairperson for this meeting, due to the absence of Mr. Mullin and Mr. Tompkins. Mr. Contento seconded the motion, with all voting Aye.

## **Minutes of the April 28, 2014 Meeting:**

The Board elected to table approval of the April minutes until next month, as there was not a quorum of members present who had attended that meeting.

## **Public Comment:**

None

## **2013 Audit Presentation:**

Mr. Maulo presented his firm's audit of the financial statements of the Caln Township Municipal Authority for the year ending December 31, 2013, reporting the audit resulted in a positive opinion with no issues, and management staying within the budget parameters set at the beginning of the year. He reviewed with the Board revenues, expenses and changes in net assets for the three components of operations, the Sewer Operating, Sewer Capital and Tapping Fee Funds. Mr. Maulo noted there were no internal control issues found requiring a management letter, and indicated the final version of the audit should be released in two to three weeks. After brief discussion, there were no further questions. Mr. Kruse motioned to accept the results of the Maulo & Company audit of the 2013 Caln Township Municipal Authority financial statements. Mr. Contento seconded the motion, and then amended the motion to approve the 2013 audit of financial statements. Mr. Kruse seconded the motion, with all voting Aye.

## **Moore Road Area Sewer Extension CDBG Application:**

Mr. Gill reported the Department anticipates beginning to compile the recently released 2015-2016 Chester County Department of Community Development Block Grant (CDBG) application, in an effort to acquire funds to assist in bringing public sewer improvements to some residential dwellings in this area. He offered for review and

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discussion two proposed options for this project. The first option would serve 58 units and extend to Jonathan Drive, which includes approximately 20 units on larger lots, with an estimated total project cost of \$670,000. The second option is shorter with smaller lots, serving 38 units and excludes Jonathan Drive, with an estimated total project cost of \$492,000. Sewage collection would be performed by each home installing a low pressure sewer lateral which would be connected to the proposed low pressure sanitary sewer main along located along Moore Road, Blackhorse Hill Road and a segment of Scott Drive. Mr. Gill and the Board discussed each option and their related costs. It was noted the Jonathan Drive properties have no known septic system issues, benefit from larger lots, and the line could be designed to accommodate/extend to these additional properties if future need is identified. Upon review, the Board preferred Option 2 with an estimated total project cost of \$492,000 and recommended a 60% grant amount-40% local match be requested. Mr. Gill advised the Township rather than the Authority would be applying for this grant, with submissions due by June 16<sup>th</sup>. It is anticipated the matter will be discussed at the May 29<sup>th</sup> Board of Commissioners meeting, and advertising the public hearing for the June 12<sup>th</sup> meeting where a resolution will be passed approving the submission of the grant application for this potential project. Mr. Contento motioned to recommend to the Board of Commissioners that the Township apply for the 2015-2016 Community Development Block Grant requesting a 60%-40% grant amount and local match, to assist in funding installation of the Moore Road Area Sewer Extension Project serving approximately 38 existing homes currently with on-lot systems, and submit the application to the County by June 16, 2014. Mr. Kruse seconded the motion, with all voting Aye. A recommendation memo will be forwarded to the Board of Commissioners following the meeting.

## **PECO Claim Update:**

Mr. Gill advised a settlement offer was received from PECO in response to the Authority's claim for damages in the amount of \$13,662.50, related to the Lincoln Highway emergency sewer line repair completed in June, 2013 where a PECO pole had been installed over a sewer line, causing a collapse. He reported PECO offered 50% of the damage costs, in the amount of \$6,831.25 and noted the claims adjuster stated that PECO employees maintain the line was unmarked. However, the Department has responded to the contrary providing photographs showing markings in place as well as reports from the PA One Call system reflecting timely responses as lines marked. Mr. Gill noted legal costs in pursuing the full claim amount could potentially total the remaining funds requested. After discussion it was agreed to counter offer by deducting in house labor costs and seeking reimbursement for only the third party expenses incurred to complete the repair.

## **Benne Subdivision Tapping Fee Extension Request:**

At the March 24<sup>th</sup> meeting, the Board agreed to authorize the Benne Subdivision project a two month extension on payment of the tapping fees due through May 20, 2014. Mr. Gill shared with the Board the developer's written request for a second two month extension on payment of tapping fees due for the four EDU's allocated to this project. He reported the developer is still working to complete outstanding comments on the planning review portion of the project. Mr. Contento motioned to authorize the Benne Subdivision project a second two month

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extension on payment of the tapping fees due through July 29, 2014. Mr. Kruse seconded the motion, with all voting Aye. An update will be provided at the July 28<sup>th</sup> meeting.

## **Financials:**

Mr. Gill reviewed the cash basis summary and detailed accrual reports of revenues and expenditures for the Sewer Operating Fund and Municipal Authority's Tapping Fee Account and Capital Fund for the month of April, pointing out the annual transfers were reflected. Mr. Contento inquired on the PAWC treatment costs paid to date being less than anticipated. Mr. Gill responded that at the end of 2013 PAWC switched to a new billing system, with the timing of the bills being recently delayed. Mr. Plagens inquired if there was an increase in liability insurance. Mr. Gill confirmed there was, and will follow with a more detailed explanation via email tomorrow. Mr. Contento motioned to approve the financial reports as submitted. Mr. Kruse seconded the motion, with all voting Aye.

## **Municipal Pump Station Project Update:**

As directed at last month's meeting, Mr. Gill reported the appraisal to acquire the Miller Avenue property easement is in the process of being updated, and the Authority's solicitor is addressing the preparation of legal documents for this, as well as the Township owned property necessary for the installation of the force main.

## **Director's Report:**

Mr. Gill reviewed his departmental report for the month of April, updating the Board on the recent storm event with heavy rain. The system handled the increased flows with no issues except for an issue on Olive Street related to the PAWC system, where their line was restricted due to construction in progress. Two properties were affected due to improperly connected floor drains. The property owners were advised to have these disconnected. He also reported the Wastewater crew has been documenting and repairing leaking manholes, finding new leaks visible due to the high water table. The crew has also been running the cleaner truck where possible. Mr. Gill and the Board discussed recently received DARA flow reports indicating increased flows for each of the five municipalities due to wet weather events.

## **Additional Business:**

None

## **Adjournment:**

There being no further business, Mr. Contento motioned to adjourn the meeting at 7:15 p.m. Mr. Kruse seconded the motion, with all voting Aye. The next Authority meeting is scheduled for Monday, June 23, 2014.

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

Respectfully Submitted

Mary Kemble Slade, Recording Secretary