

ROUTE 209 SEWAGE PROJECT
MEETING MINUTES
MARCH 6, 2019

Meeting opened at 3:00 PM

Present were: Brian Snyder, Frank Mazza, Andrew Seder, Matt Osterberg, Frank Tarquinio, Penney Luhrs, Bob Stewart, Dayne Losee, Kevin Rose, Michael Asimakopoulos, Tim Gartner, Dave Clark, Joe Sain, April Niver, Nick May, Mark Spatz and Kevin Baum

Minutes from February 15, 2019 Meeting – Approved

Commissioner Osterberg asked how Matamoras Borough could be fit into this. What we see is this process and what it entails for them at this moment. The one thing I think we all agree is we don't want this to slow down the process. Can they be filtered into this as we move forward? We want the process to keep on moving, but again, that is a question for the engineer. If they can be filtered into this as we move forward with the Act 537 Plan encompassing the three municipalities.

Engineer Mark Spatz said we are going to be looking at the amount of flow that Matamoras would need for a full sewer in the borough. It would be equivalent to that of Milford or greater. I don't know if the existing planned capacity would be able to absorb that on day one. The reality of the capacity is that none of the towns are going to have full sewer on day one. It will be transitioned probably over a 10 to 15 year time period. The main driver in Milford are the main streets that include Milford Township and Milford Borough – that is only going to have a certain amount of capacity. Similar things will work in Matamoras as well. In Milford we're talking about 130K gallons a day, but that is the whole water service area. It's not going to have the whole area connected on day one. It will probably take about ten years. A lot of times it can take much longer. If we take 130K gallons a day additional from current stakeholders and then add in an additional 130K gallons a day also with Westfall's demand, that capacity is not there in the plan. So would the plant need it to fully sewer both towns in fifteen years from now? The Plan would likely need an upgrade along the way. We have a TAR (Task Activity Report) that has extension of the Westfall system to serve Milford Township/Milford Borough. That TAR would go into the DEP and that would set the stage and give the DEP the heads up that this is coming down the road. If DEP has questions, comments, concerns they would come back to us and that would get the dialogue started officially. After that TAR is submitted, the DEP expects to see an Act 537 Plan come through for towns to then go forward. There are some expectations that set for them. In addition, as a part of the 537 Plan, we will have to do on-lot surveys for up to 15% of the properties within the area. We are looking at existing septic systems, cesspools, etc. If there are certain regions of those on-lot surveys that have failing septic systems, then DEP is going to expect that the area receives priority for public sewer. In the 537 Plan we will have to outline a schedule and they will want to see that those properties are high on the schedule for where the public sewer will go. From what I understand, the main streets are the big desire from a socioeconomic standpoint. These are some of the things we need to think through. Hopefully, we talked about that sufficiently for Milford. Even with everybody connecting, there is not going to be any immediate need to upgrade the plant. I would set a target for when the plant gets to a certain capacity that a "Special Study" be done for Westfall. The special study would look at how the plant could be retrofitted, modified or upgraded to meet the projected sewer demands. It would be at a certain threshold once you get up near capacity and then it also would take into account if we're not anticipating growth in the next five years, then it is not really critical. There is plenty of capacity available. Ultimately, for both parties, capacity use is a first come, first serve basis.

The only real way to tie up capacity is through paying the tapping fees. If either town or any area wants to enter into an agreement to sewer an area and projecting so much connection, as those come on line,

there will be tapping fees associated with those connections. Westfall's tapping fee for now for people within it's' jurisdiction is \$1,600. The towns would have their own tapping fees. A home would pay \$1,600 to connect with a sewer service and the town would have their own variation on a tapping fee when people connect to their system and then Westfall would have that same thing for Milford's allocation to use the plant. The point is - you are generating revenue to off-set those plant upgrades. As you are generating revenue, you are going to be able to pay for these upgrades. We will address plant capacity in the future with bringing in Matamoras. However, that should not scare anyone away because it will be revenue generated between now and then to off-set some of the cost to upgrade the plant.

Question: Is the \$1,600 a one-time fee?

Answer: Yes a one-time connection fee.

Question: When you said the plant currently has capacity to accept the two communities-did you mean the two communities that are already agreed upon or did you mean Matamoras and Westfall?

Answer: No. It would be all the stakeholders at the table. Their max capacity seems to be 130K gallons per day. That is the entire borough and township. Approved capacity is 374K gallons a day and Milford is 130K gallons a day. We see right now about 60K – 80K gallons a day.

Question: What is the water usage in the Borough?

Answer: It's probably about 125K gallons per day.

Question: How are you going to survey properties and what kind of survey?

Answer: We will send out mailers to properties we have to do a survey on. It is a statistical process. We have to take into account the entire property owner base and send out mailers for property owners to answer questions on their septic systems. We have to get a middle threshold. Certain systems are failures. Certain systems are cesspools or really old system types.

Question: We are taking action strictly on what a home owner fills out about his septic system?

Answer: Some data will be collected and used. We will be driving through the communities and looking at the different areas. We are doing some on-lots as well. We're looking for signs of failed sewer systems. A lot of times these systems are not available for detailed inspections. There are questions on the survey that don't lend themselves toward leading answers. At the end of the day a lot of the questions are pretty straightforward. This process has been in place since the 1960's. We don't really have a choice in how the process unfolds. We are trying to collect evidence through on-site observations and through mailers. Is the data coming back from the property owners lining up with what we see in the field? This is the process in place-we can't go out and do detailed on-site inspections. Every town has a Sewage Enforcement Officer that is required to have records of system failures and maintenance. What have they been reporting? If they're reporting that the systems are in good condition and we are getting back from the home owner that the system is in good condition, that is two data points that say they're in good condition.

Engineer Mark Spatz explained that once it comes time to build the system, it will not happen so quickly – it takes time. For Matamoras to enter in and, hopefully, the same for Milford, you want to sewer your town. You see the need and the advantage. I hope we are clear moving forward that this will cost the County \$100K and we want to make sure everyone is serious about this. We are spending tax payer's dollars and setting an expectation with the DEP. Before we even start putting down the first sewer lines at all it will be two to three years from now. The 537 Plan can take about a year, the design project can be another six months; about nine months for the permits to put stuff in the ground, then it has to go out to bid – this can take a number of years. The intent of the 537 Plan is that when you're done, that is the road map for the next ten to fifteen years and, obviously, that can change.

Question: Are you requiring hook-ups within a certain amount of feet from the line?

Answer: The Department is probably going to highly encourage mandatory connection for anybody that the sewer line is crossed in front of, especially if they have a failing system. I think for a Township there is going to be more lee-way there. It's not a yes/no answer.

Question: Is that immediate or within so many years?

Answer: Whenever the sewer line gets installed there. Once the public sewer is there, DEP likes to see a mandatory connection. Mandatory connection does help in the grand scheme of things too. It is very difficult to plan sewers when people don't have to connect. It is a revenue source for construction with the mandatory connection. If you have a thousand homes and each is \$1,600, then you know you're going to get that in revenue. If you're still short, that's where grants and other forms of funding make up the difference. Where, if you don't have mandatory connection, you can't count on the \$1,600. It is a little bit more difficult to plan. It still can be done, Westfall is doing it. A lot of the businesses in Westfall want to connect because they have failing septic systems that can cost up to \$20K to repair. So \$1,600 for a public sewer hook-up sounds pretty good. You probably have property owners with a house on it-for \$1,600 they can get on public sewer-they'd welcome that. Obviously you're going to have property owners in the other direction. If you have property owners with failing septic systems hurting their resale values or whatever, they'll love it. If there is a property owner that thinks their system is fine, they might not like the \$1,600 connection fee. If it's not mandatory, then it's an option.

Question: The grinder pump is what makes it a real expense for home owners. Does the design call for a gravity system like in Matamoras?

Answer: We just like the dollars and cents to be the guide. What's the cheapest way to get it done for your service area? Other than grant assistance, all the money comes from the people who live within the service area. Whether it is a fee or whether it is a tax. Public sewer definitely does increase property values and it attracts business. I think that is what brought us here to begin with. That's why "Authorities" were made, to have this separate financial thing that the costs to add sewer to an area is funded through the Authority, separate from the Municipality's financials. The Penn Vest Loans are probably the number one thing you see with any kind of expansions where they are 1% or less 40-year loans. The authority can take out and you pay it with the money that you get for your monthly user fees to pay off that low interest loan.

Question: Is \$1,600 that's it?

Answer: \$1,600 is the cost to be able to establish your connections. It's not your user rate. There is a monthly charge. You're going to have to pay a plumber to get that line out to the mainline-that's another cost. \$1,600 is currently being charged by Westfall for the properties that are served within its service area. That is \$1,600 for residents and \$8/gallon for businesses. For example, if Walmart is paying \$8 times however many gallons they take, let's just say three thousand. They would pay \$24,000. You have a one-time connection fee. Then you have user rates which are established and kept over a period of time. Sometimes that's multiple years, occasionally there is going to be a cost that will require it to go up every so often. They are not like taxes that sometimes go up every couple of years if not every year. If somebody else was to come on or extend the line, the people in Westfall are not going to have to pay more money. What they're paying for right now is what it costs for that plant to run that they hooked up to. Fifty percent is to pay for the operation of the plant and the lines that were built in the first place and the improvements. The other 50% is to pay for the people that run the plant, the electric and the chemicals and those things.

Question: Are you aware of or know of anything that the State Government is putting forward to more or less to add to your point? Has there been any legislation recently or in the past 25 years that indicate they are going to say we're going to have to hook up to central sewage?

Answer: I can tell you that there has not been legislation, but the DEP has been making policy change after policy change, anytime there is a high density area that has multiple failings, they

have mandated that the sewer system, if it's within 2 or 3 miles of the central sewer system, be mandated to connect. We are going to see this over the next 10 years, the DEP has their eyes on them. That wouldn't be legislation, it would just be a DEP Executive decision. We are in the DRBC (Delaware River Basin Commission) area and we have to give them percentage of failing system numbers and we are mandated to do it.

Question: If they (DRBC) mandate it, do they assist in the funding or finance relieving some of the burden from the Municipality? Or spread it out over time or something like that?

Answer: It may qualify you for getting higher up on the list for Penn Vest. One of the Penn Vest criteria is, if there is a need or a problem? That is one of the reasons why Penn Vest was created, to try to deal with communities that are forced to connect but really don't have a good opportunity to finance at a reasonable interest rate.

Question: Once the 537 Plan is out and is reviewed, who makes the decision based on this information to proceed or not? Is it the people in this room? Is it done by each Municipality in its' official sector? Is it brought to the public in its' entirety and interpreted for them? Also, the missing item from our application is a letter of intent and support. If we don't have a general consensus from the voting public, how can we write a letter of support? Does this ever go public or is it made by just a few individuals?

Answer: It goes public. There will be a public comment period and hearing before the Supervisors can approve it.

Question: Does it ever create its own referendum?

Answer: No. It's the stakeholders' plan. The only thing that it has to go through, it is whatever you want it to be. It has to go through DEP and they require public comments, public review. They have to address the comments. They are entitled to be informed in advance of it and can show up to offer their comments. There is no requirement to take a ballot referendum vote to approve that type of thing. It would be a bad way to go because people are not going to be nearly as educated if they have to pull a lever as they would if they have to come to a public hearing.

Question: It was said that the driving force is to get sewage into Milford Borough. If the DEP doesn't get involved until there's a failure rate of 50%, why is there a driving force at all if we are only coming up with a 5% or 10% failure rate? If the driving force is business and the majority of businesses' septic are fine, then why are we pursuing this? If the driving force is for future business and expansion, then I say that the properties bought along the three-lane or bought as an investment should be bought "as is". I don't see why the community should bear an expense for the services investors want. What about the increased expense to existing businesses? They aren't an investment, they are and have been a commitment. A commitment to the labor force, the tax base and civic involvement. Why is a developer's money more important than protecting the ability of existing businesses to remain viable? Why are they suddenly expendable? Once the 537 Plan is done, how is it presented and interpreted? If the properties don't fail, how is need established? If it is not need, it is want, and the people should decide through a Referendum for as long a period as that takes. How can you draft a letter of support unless you have the support of the people?

Answer: If data shows there aren't any failures, the Plan can just say this area doesn't need a public sewer-there isn't a failure rate there. The 537 Plan doesn't need to establish public sewer for the whole area. Municipalities often times will do a 537 Plan and then will say our rural areas are going to stay on-lot because there aren't any failures shown there and the denser areas will be public sewer.

Question: Do you recommend that phasing be done based on failures or based on the route?

Answer: The DEP is going to want to do it on failures. If the town's interest does not align with that, hopefully they are at the same spot.

Question: Is a cesspool an automatic failure?

Answer: Yes. According to the DEP it is a presumed failure.

Question: How do you know if your septic system passes?

Answer: If you want to know where your septic is at, you need to sit down with your Sewage Enforcement Enforcer and the reports that they are submitting. You can ask them-are our sewer systems looking good? They are reporting that stuff back to the State.

Question: Why did you send the letters to the surrounding Municipalities, because you had to?

Answer: The letter had to do with the funding for the SRCP. The Ordinance for that Legislation states that, before we give money away, we have a responsibility to send a letter to every Municipality to basically tell them what we're doing with some of the funding and this is what we're doing.

Question: To go with the 537 Plan, what kind of time-line are we looking at. The time from when we get the Plan until we get to the next step. How long do you want us to review this plan?

Answer: At least 30 to 60 days. The 537 Plan should be completed by Summer or late Summer, August.

Question: What is the phase after that?

Answer: It usually takes 6 to 9 months to review it and go back and forth and after it is approved, you can submit plans for building. If you want to fast-track it, you can have the plans generated as the 537 Plan is under review. That is what Westfall is doing. The 537 Plan is paid for through the SRCP. Next we go into engineering phase and then the Penn Vest loan. The costs that you are asking from Penn Vest incorporates engineering costs. You reimburse yourself essentially.

Question: Does that application come through the Commissioners? The Borough? The Township? The Authority that is going to be in charge of this?

Answer: It will be a joint application between Milford Township, Milford Borough and Milford Water Authority. The County would help fill out all that paperwork and putting in for an LSA Fund. This could help pay for some construction costs and some engineering costs. With an LSA Fund you can't spend the money first. The application is due by September 30th, the funds will be allocated around this time next year. That's when some type of engineering would start. At the end of the day, these grant programs want to get out to the people with the highest need.

April Niver from the office of US Representative Cartwright's office was introduced. Ms. Niver will be meeting with representatives from the USDA Rural Development Program to talk about eligibility for their Water and Sewer and Community Facilities Program. The Appalachian Regional Commission's biggest program is power which is for communities that are coming back after losing phone lines. After that, it would be more for interest in a larger developer and looking for funds for their technical assistance or site planning. Another one is the Growing Greener Program which is a State program that might be able to help with other costs.

Our financial services division will estimate the costs of the project. At the end of our 537 Plan we put in a list of funding sources. The financial services division will actively seek grants. After the 537 is done, that is actually the next phase. Putting together a preliminary funding strategy and thinking about engineering. You have to beat the street and talk with people.

When people are looking at grant applications or even loan applications for different projects the Federal government is now looking at what is their best bang for their buck. Collectively, communities within a certain geographic area, if they are banding together all in support of a specific project that will be more likely to get the attention of the folks in Philadelphia or Harrisburg or Washington, DC. They are the decision makers on these projects. This is useful information as we discuss and figure out how we are moving forward with this.

Question: Where are we at with the 537 Plan?

Answer: We have the proposal. We are looking for something from the County that says the money is secure. (A letter was just signed today for that prior to this meeting.)

Question: Will Matamoras, through Mr. Waldron, be speaking with Mr. Hamill about the process for the Intergovernmental Agreement? Was the Ordinance passed?

Answer: Mr. Waldron gave him a quick overview at the beginning of February. No documents were given to him yet. The Intergovernmental Agreement is established under Pennsylvania Law when two or more municipal governments want to do something, they have to pass an Ordinance before they can sign. The purpose of that right now, the Agreement signed by the three Municipalities, the Water Authority and the County says that they are all going to join together for purposes of doing the study and nothing else. In order for us to do that Milford (Matamoras) Borough would have to advertise an Ordinance and do it at a public meeting, whether a regular meeting or a special meeting, and state we are doing this for the purpose of entering into the Intergovernmental Agreement. Language from the Agreement can be put into the Ordinance so it makes sense. That Agreement is 3 or 4 pages long, but half of it is just naming all the parties involved. As we said at the last meeting, if we get to the point where the 537 Plan is approved, and the parties all want to go forward, there will be a much longer Intergovernmental Agreement that will have to address the myriad of issues to which we have talked about today. How do we charge people? Who is responsible for billing? Things like that. There is a mixed bag here because Matamoras Borough isn't served by the Milford Water Authority. I don't know if it will be necessary for the Matamoras Water Authority to be involved, but that might be an option. There are a lot of questions to be answered down the road. This Agreement would simply say yes we want to be in on the study. You don't have to do it-it is not required. There will be some figuring out as to how costs would be allocated and things like that, but if the study doesn't work for you, you don't have to go to the next stage. It might be determined that this shouldn't go any further after the study. The DEP will want to see the Intergovernmental Agreement if they're going to approve the 537 Plan. Something will have to be signed before anything can be submitted to the DEP.

Question: Can we have an open meeting with the Borough residents to explain what's going on?

Answer: We were talking about getting to the Notices ahead of time to have a public meeting. We are also planning to send out materials for approval before they actually get mailed out.

Question: Is the TAR and 537 Plan having to wait for Matamoras Borough to make up their minds about doing this?

Answer: That is the big question. We need to get the TAR submitted, the TAR outlines our regional boundaries. We can submit the TAR as it is and then, if Matamoras Borough decides to come on board, we can submit an amendment to the TAR.

Next meeting will be on Wednesday April 3, 2019, at 3:00PM in the Commissioners' Meeting Room