

**DOVER TOWNSHIP
BOARD OF SUPERVISORS MEETING
WORK SESSION
APRIL 13, 2015**

The Dover Township Board of Supervisors work session meeting for April 13, 2015, was called to order at 6:03 pm by Chair Matthew Menges in the Meeting Room of the Dover Township Municipal Building. Supervisors present were Matthew Menges, Monica Love, Charles Richards, Stephen Stefanowicz, and Stephen Parthree. Other Township Representatives in attendance were Laurel Oswalt, Township Manager; Attorney Charles Rausch, Township Solicitor; Charles Farley, Township Public Works Director; Corey Flythe, Township Lead Water Operator; Sophie Simon, Township WWTP Superintendent; Chris Hamme, Township Sewer Crew Chief, Nathan Stone, Township GIS Specialist; and Trena Hall, Recording Secretary. There were 61 citizens in the audience. This meeting has been recorded for minute purposes only.

This work session consisted of Dover Township Staff Members presenting an overview of the Township's Water and Sewer Systems.

Chair Menges began the meeting by acknowledging a statement from the Township's website. He noted that the statement read that this meeting was being held regarding the potential sale/lease of Dover Township Sewer and Water Systems. He said this was news to himself and other Board members. He noted that this is not a furtherance of the discussion on the sale/lease of the Sewer and Water Systems. This meeting was only taking place because a Supervisor requested that the Township Staff be given the opportunity to present the good of the Water and Sewer Systems to the Board and public. This presentation would allow staff the chance to compare the Township to the United Water presentation that was offered in January.

The power point presentation is attached to the work session minutes to provide further detailed information.

Manager Oswalt began the presentation by providing qualifications about herself, Corey Flythe, Sophie Simon, and Chris Hamme. She then proceeded with a brief overview of the two Systems. The Water System was established in the 1950's and was originally operated by the Water Authority, which was disbanded by the Board of Supervisors in the late 1980's/early 1990's. Therefore, all operational decisions fell to the Dover Township Board of Supervisors.

The Dover Township Regional Wastewater Plant and Sewer Collection System are owned by the Dover Township Sewer Authority, which was built in the 1970's. This joint ownership includes Dover, West Manchester, Manchester and Conewago Townships. Through a lease agreement, the Sewer Authority exists as a financing authority only, but Dover Township manages and operates the Wastewater Treatment Plant and the Sewer Collection System for Dover Township. The Dover Township Sewer Authority borrows needed funds to perform replacements and upgrades while Dover Township budgets to fund the debt payment through rate increases.

Corey Flythe noted that the Board of Supervisors discussed the possible sale of the Water System back in the mid 2000's. After discussion they decided to expand their staff and make improvements to the system. Many improvements that have already been made include the institution of annual flushing and valve exercising programs, changing out meters to auto reading capabilities, purchasing of a Supervisory Control And Data Acquisition (SCADA) System, frequency drives were installed for energy efficiency, chemical feed equipment were installed, well pumps and motors were replaced and continuous monitoring equipment were implemented. The SCADA System allows the Water Department to control the chemical feed pumps (which are some of the best pumps available), provide real time data collecting information, how many gallons per minute are running, how much water are in the tanks/wells, etc. All information gathered and entered into the SCADA system is given to DEP on a monthly basis. More improvements for the Water Department include upgrades and replacement of about 20,000 feet of ductile iron pipe, the installation of a Nitrate Removal System for Well No. 10, the purchasing of Leak Detection Equipment, the installation of security fencing and cameras at some facilities which are tied into the SCADA System, a Source Water Protection Plan has been developed to help protect adverse impacts on drinking water sources, collection of GIS data to implement into maps, an amendment made to the York Water Agreement to purchase less water and a maintenance schedule created to keep equipment up to current standards.

Mr. Flythe presented the 5-10 year plan of future improvements for the Water System. Proposed are two new wells including drilling, permitting and pump houses which will require borrowing, a water tank for additional storage which will also require borrowing, future line replacements which may require borrowing or funding through existing funds.

Sophie Simon spoke on the Wastewater Treatment Plant Upgrades and Improvements. The original 1.75 MGD plant was built in 1970. The process of cleaning and discharging water back into the waterways is continually being improved. The plant was partially funded by some grants which helps keep the rates down for residents. Many improvements have been made as in replacing clarifiers/sludge pumps, updating of the Ultra-Violet Disinfection System, and making modifications to the Operations Building including a full training room, laboratories, etc. The Sewer Authority is currently in the process of determining what new technology to use to replace the belt press and determine which technology is the best for Dover Township.

Chris Hamme discussed the Sewer Collection System which contains both the Dover Township and Joint Sewer Lines. Currently the Township is operating under a Consent Order with the Pennsylvania DEP to reduce inflow and infiltration (I and I) into the Sewer System. Dover Township has been conducting private home inspections. Crew members have found I and I issues from illegal sump pump connections to run-off water going through the manhole lids, pipe cracks, etc. These results have established the current need for sewer lining projects on East Canal Road, Davidsburg Road, Cypress South and Lauer Tract Developments.

Mr. Hamme noted the 5-10 Sewer plan for the Dover Township lines only, is to complete lining projects for the first 5 years. Possibly in 2016 install the Northern Interceptor to provide sewer to the Business Park District, in 2017 upgrade the Palomino Road Interceptor in coordination with the Terra Vista Development, and in 2018 complete phase 1 of the Fox Run Interceptor project. The 5 to 10 year future improvements on the Joint Lines only include: 2016 a portion of

the Joint Interceptor to be replaced and in 2018 another portion of the Joint Interceptor will be replaced. The timeframes of these projects are preliminary only and dependent upon the progress made on the reduction of I and I. Dover Township's, costs for these projects is approximately 1/3 of the overall project.

Manager Oswalt provided a comparison of Dover Township to what United Water can offer. United Water's presentation had 3 components. First, United Water noted why municipalities look to lease or sell their systems. United Water noted that municipalities may look to sell or lease because of the inability to attract needed talent. Dover Township has a fully knowledgeable staff in the Water, Wastewater Treatment, and Sewer Collection. All departments have licensed operators, required certifications and most departments have begun cross training employees for other departments. The Township is currently modernized in most areas. The Water System and Wastewater Plant have modernized as previously mentioned. The Sewer Collections have updated to televised equipment, a Vactor Flush Truck, Arc Viewer and an Asset Management Systems which can all be taken with them out on the job. United Water also mentioned environmental performances. Departments have received recognition through acknowledgement and receipt of awards. One downfall is the consent order addressing I and I issues through the Sewer System. Money is needed to address the needed line replacements to allow Dover Township to expand the system.

Second, was the Value that United Water can add to your municipality. They can add the ability to manage complex situations based upon a broad range of experiences. Details were not stated. Dover Township staffs have a great range of experience, training, memberships with many organizations, and provide assistance to other entities with our equipment and knowledge. United Water can add cost effective solutions. Dover Township has cost sharing from administrative services, supplies, office and garage space, equipment, and employee sharing such as snowplowing, leaf/brush collections, emergency repairs, televising, etc. United Water can add knowledge on advanced technologies. Dover Township has a WWTP Superintendent that is a DEP certified instructor on new technologies, staff attends various professional conferences, and staff has been invited to speak at State and National Conferences because of their knowledge. United Water can add cost of efficient operation expense/capital expense approach. Dover Township has developed a 5 to 10 year plan for all functions including the Water and Sewer Utilities. These include: Upgrading and repairing utility lines, adding new wells and storage capacity, new technology at the WWTP for processing information, providing rate studies to help with planning the financing of future projects. United Water can add the ability to attract private financing. Dover Township has been making improvements by the help of developer agreements and can utilize Private Public Partnerships.

In addition to the already mentioned values that United Water can add to a municipality, the staff wanted to add more items they felt that the Township provides to the system. Items extended from many employees live within the Township which leads to quicker response time, understanding the resident's issues, providing great quality customer service because of having a

sense of the community. Our residents have not seen annual increases because the Township is not for profit, we work well with neighboring municipalities, we have a great knowledge of our systems and years of experience, we promote public involvement, we work with the local schools to educate the youth, we apply for grants, we cross-train employees and we support local businesses.

Thirdly, Manager Oswalt presented a city in Bayonne, NJ which United Water used as an example during their presentation. Dover Township is not comparable to Bayonne, NJ. A few examples are as follows: Bayonne had credit problems, high debt, difficulty attracting staff, most residents were on the water and sewer systems, and they had paid fire and police. In comparison Dover Township has an AA minus S and P rating (which is the second highest available), debts to be paid off within 8 to 10 years, knowledgeable and licensed staff, not all residents are on the systems, and volunteer fire and regional police.

Manager Oswalt stated some accomplishments that United Water completed for Bayonne within the first year. They provided a full GIS system, provided a fixed network AMI System, cleaned and flushed sewer main and water lines, provided hours of training to staff, provided safety improvements, and provided office improvements and new vehicles to meet health and safety standards. Dover Township currently has a GIS system, automatic meter reading, cleans and flushes more sewer mains and water lines, provides training to staff, provides safety supplies, is working on a 10 year plan on replacing vehicles and is reviewing a Facilities Master Plan.

Manager Oswalt provided potential reasons to move forward with the sale/lease of the water and sewer departments. Some examples were: less regulatory requirements would be needed to comply, money could be used for needed work now and for the future, less employees to manage, and the ability to concentrate on other areas of the government.

Concerns and considerations for the Township moving forward are as follows: What is the Board's objective in pursuing a lease or sale of the Water and Sewer Systems, How much money would be received and what projects would be completed with this money, What investment would be expected under a lease agreement each year, if a lease is purchased what would happen at the end of the term with the employees, the condition of the system, etc.

Another concern is dependent upon the use of the monies received. The Township could be taxing through the TAP. This would mean that the Township is not taxing the residents equally for work that is being completed. Chair Menges noted that the Township currently does this by sharing the costs of the Manager's salary across the systems. Some rate payers pay more in rates to supplement the General Fund.

A few more concerns: Leases are more expensive loans; Rate payers would be charged higher rates to pay for today's problems, and the Township or Authority would still be the owner of the Systems under a lease so the Township would still be committing to increasing rates every year with little control; How would a sale/lease affect our joint users or neighboring municipalities

(we should hire a consultant to assist on a valuation of what our system was worth and we would need other expert assistance); What additional costs would impact Township services since we currently don't charge for water and sewer to Township facilities; What would the impact be on other departments sharing workloads; The loss of water rights; and who would be responsible for fines.

Chair Menges noted that the Township currently borrows money to improve infrastructure, with paying the amount back later. Manager Oswalt explained that the rate payers would be paying a higher rate for projects that are not just for the rate payer's use.

Manager Oswalt noted that she received documents from Food and Water Watch for additional insights on this issue. This organization had sent the materials to the Board late last week. Chair Menges inquired if Manager Oswalt did any investigation on who funds Food and Water Watch. The Manager had not had time to research that.

Manager Oswalt noted at this time that the power point presentation would be attached to the minutes.

Chair Menges noted that Board members could ask any questions or concerns at this time and the public can inquire on the matter during the public comment of the Board of Supervisors Meeting. The time of the work session was extended for the Board to ask questions.

M. Love questioned where the Township's borrowing power will be in the future if the Township does not have the assets of the Water and Sewer Systems. Chair Menges noted that while reducing assets the liability would be reduced. M. Love inquired where money would come from if the debt would be paid off and the Wastewater Treatment Plant would need upgrades. United Water could possibly not agree with the suggested upgrades. Currently the Township has the borrowing power and ability to restructure debt. Chair Menges noted that United Water would negotiate projects for the Township as part of the lease agreement. M. Love noted that United Water still has the right to not agree to the project upgrade. At this point there is no borrowing power for the Township to do a project on our own.

M. Love wanted to clarify about the statement on the website. She noted that this statement was correct because this issue is still in question and until the Board makes a decision the people here have a right to know what direction the Board is moving. Chair Menges noted that the minutes of prior meeting reflect that the Board was ready to table the subject until M. Love requested that staff provide a presentation. M. Love noted that there was still expressed interest by other Board members that this issue was not dead. Before she asked the Manager to put this presentation together she asked the Board "Is this issue dead or is it still of interest?" M. Love noted that she is not in favor of selling the Water and Sewer and she will never be in favor and would not like to hear this issue again. The people of Dover Township deserve to have this assurance from this sitting Board. Chair Menges agreed that the residents should have all of this information. Chair Menges proceeded to ask Mr. Flythe if enough water is produced from Township wells to

provide water to all rate customers using the system. Mr. Flythe answered yes. Chair Menges asked if the Township has to purchase water from York Water. Mr. Flythe noted for emergency purposes the Township does. Chair Menges asked if Well No. 9 would become polluted, does the Township have a contingency plan. Mr. Flythe noted that the Township can draw from other sources and if this would happen in a few years, the Township should have other wells online. Mr. Flythe also noted that the Township has two wells that are currently down, but will soon be back online and supplementing any lost water from other wells. Some well sites are not currently producing what they can produce.

C. Richards noted that the public has invested a great amount of capital into the system and do not want to see this system sold.

Chair Menges noted that during the presentation he calculated that the spending over the next 5-10 years would be around \$27.5 Million. He inquired if this spending is being proposed without a rate increase. Manager Oswalt noted that much of the spending is sewer related but sewer and water rate analysis is being reviewed. Some of the water and sewer work may be funded from their reserves. The Authority would have to borrow because of the issue with the joint users on the Sewer System. A rate increase will be needed and would be controlled by the Board with no profit accounted for.

Chair Menges noted that M. Love has vocalized her opinion that she is against the sale. This is an honest debate on all the information gathered.

With no further business, the work session was adjourned at 7:14 PM.

At 8:45 PM the Dover Township Board of Supervisors continued the work session by interviewing Anne Zarlenga for the Dover Township Emergency Management Coordinator (EMC) position. Attorney Rausch left and there were no citizens in the audience.

Anne Zarlenga currently is working part-time at Yorktowne Business Institute. She has been in emergency management since 2007, emergency services since 1990 and has lived in Dover Township since 2002. Ms. Zarlenga has been highly recommended. She is currently the Public Health and Medical Director for the York Township EMA and she does have a deputy to fall back on if she is accepted for this position. Dover Township would be her number one position as EMC.

If Ms. Zarlenga is chosen she does have the following goals: She would like to meet her staff, review the Emergency Operations Plan, continue with the NOW Access and Functional Needs Program in Dover Township, look over her resources that would be available, perform preparedness programs and training, prepare articles to be published in the Township

newsletters, attend the Board of Supervisor meetings to make the Board aware of any types of recognitions, and involve the Board in EMA work.

She would like to have staff filling the positions of a deputy EMC, persons with fire and medical experience, a public information officer, a transportation officer, a police officer, radiology officer, and a communications officer.

Appointment paperwork needs to be prepared for the Board's approval at a future meeting.

Respectfully submitted by: _____
Trena M. Hall, Township Secretary