

WILLISTOWN TOWNSHIP BOARD OF SUPERVISORS
December 14, 2020 AT 7:00 PM via Zoom

The Regular Meeting of the Willistown Township Board of Supervisors came to order at 7:00 PM. Supervisors William R. Shoemaker, Barbara L. Handelin, and Robert T. Lange were present. Also present were Township Manager Sally Slook, Police Chief Robert Klinger, Finance Director Martin McKenzie, Director of Planning and Zoning Robert Smiley, Director of Public Works William Hagan, Assistant to the Township Manager Jennifer Jacobs, and Solicitor Bill Christman.

Supervisor Shoemaker led a moment of silence for military personnel, first responders, and all front-line workers in the current pandemic.

New Business

Minutes – Supervisor Handelin moved to approve the minutes of the meeting of November 23, 2020. Supervisor Lange seconded the motion. There were no comments from the Board or the public, and the motion carried 3-0.

Expenditures - Supervisor Handelin moved to approve the list of expenditures and interfund transfers dated December 11, 2020. Supervisor Lange seconded the motion. There were no comments from the Board or the public, and the motion carried 3-0.

Police Report – Chief Klinger reported several thefts from unlocked vehicles in the Greentree/Duffryn area and reminded residents to please lock vehicle doors. When using the Willistown parks and preserves, please remember to store valuables out of sight or leave them at home. When giving out holiday gratuities for delivery persons or trash haulers, please try to hand it in person rather than leaving envelopes outside. Charges were formally filed in the hit and run fatality of the bicyclist on Providence Road in July. Chief Klinger thanked the residents for all their support over the last year. Many residents have dropped off food and cards and sent in emails in support of the department.

Resolution 18 of 2020 – A resolution for appropriating funds to meet unbudgeted expenditures in 2020. Supervisor Handelin moved to approve Resolution 18 of 2020. Supervisor Lange seconded the motion. Supervisor Shoemaker explained this is done every year to cover expenses from now until the end of the year due to this being the last Board meeting of 2020. There were no further comments from the Board or the public, and the motion carried by a vote of 3-0.

Resolution 19 of 2020 – A resolution establishing sewer rental fees for 2020. Supervisor Handelin moved to approve Resolution 19 of 2020, reflecting no change from the prior year. Supervisor Lange seconded the motion. There were no comments from the Board or the public, and the motion carried by a vote of 3-0.

Resolution 20 of 2020 – A resolution establishing the annual tax rate for 2020. Supervisor Handelin moved to approve Resolution 20 of 2020, reflecting no change from the prior year. Supervisor Lange seconded the motion. There were no comments from the Board or the public, and the motion carried by a vote of 3-0.

Resolution 21 of 2020 – A resolution appropriating funds for the 2020 Budget. Supervisor Handelin moved to approve Resolution 21 of 2020, reflecting revenues of \$12,356,686 and expenditures of \$13,493,539. Supervisor Lange seconded the motion. Supervisor Shoemaker commented this is a balanced budget. The delta between the two numbers comes from reserve funds. Elizabeth Jekot, 18 Applewood Road, and Malvern Library Board representative thanked the Board on behalf of the Malvern Library for the Township's continued support through annual funding. There were no further comments from the Board or the public, and the motion carried by a vote of 3-0.

Resolution 22 of 2020 – A resolution authorizing the transfer of unencumbered moneys from one Township account to another in the amount of \$500,000. Supervisor Handelin moved to approve Resolution 22 of 2020. Supervisor Lange seconded the motion. Ms. Slook explained the \$500,000 is the projected surplus for 2020, and it will be transferred to the Capital Reserve Fund if the Resolution passes. There were no further comments from the Board or the public, and the motion carried by a vote of 3-0.

Resolution 23 of 2020 – A resolution establishing the Commitment for Creation of Township Funds. The Resolution relates to the potential sewer sale and will commit the Willistown Township Board to establish two funds. One is the Customer Benefit Fund, and the other is the Capital Replacement Fund. The Customer Benefit Fund will offset the projected sewer fee increases if the Township moves forward with the sale. The goal is to eliminate a large sewer rate increase in one year (currently projected for 2025) and will gradually increase the sewer rate over the next 10 years. The Customer Benefit Fund will pay for a new grinder pump and installation for the 312 residents with grinder pumps. The grinder pumps will be replaced when they fail; the Township won't replace them immediately. The Township will also be working with PreDoc to establish a rate plan for current grinder pump owners who wish to continue using PreDoc for maintenance and repair. Mike Kerr, 33 Stonehenge Drive, asked how much money is being set aside for these funds for the next 10 years. Supervisor Shoemaker explained the final number has not been determined, but the Township and consultants have calculated around \$3.2 million from the proceeds. A group of residents has approached the Township and believes the fund should be between \$5 and \$10 million. One of this Resolution functions is to form a committee that will work on an agreed number together. Discussion ensued. Fred Haack, 486 E King Road, questioned the legality of giving money to one set of residents and not the other. Tim Sullivan commented the ratepayers paid for the system, and residents not on the sewer system have not paid for any portion of the sewer. Legally the Township will be allowed to sell the asset and potentially use some of the proceeds to soften the rate increase for sewer customers. Discussion ensued. David Keet, 34 Bryan Ave, asked if the sale will be put on hold till everyone agreed to the terms. Supervisor Shoemaker said that it has not been put on hold, and the sale will be voted on later in the meeting. Discussion ensued. Supervisor Handelin commented the committee would be made up of different types of users on the sewer system to represent all sewer users in Willistown. Henry Yordan, 152 Grubb Road, commented while the first fund might smooth out the large rate increase in 2025, there will still be rate increases in the years after. Supervisor Shoemaker commented there would be rate increases whether the Township sells the sewer system or not. This fund's goal is for ratepayers to see a gradual increase over the next 10 years rather than one large increase. Vince McAneney, 25 Chetwynd Rd, asked how the Township could pass an ordinance if they didn't know what the sewer system is worth. Supervisor Shoemaker explained the sale's net proceeds would be around \$16.2 million depending on settlement costs. Discussion ensued. Henry Yordan, 152 Grubb Road, said a group of residents would prefer Willistown not to sell the sewer to Aqua PA before the final number is determined for the amount to be put in the Customer Benefit Fund. Supervisor Shoemaker explained the costs of maintaining and updating the sewer would be passed on to the ratepayer whether Willistown sells the sewer or not. With Aqua, the costs ultimately to the ratepayer will be lower due to their operating costs and economies of scale. Discussion ensued. Bill Kenney, 150 Grubb Road, stated it makes sense for the Township to get out of the sewer business. He asked if passing Resolution 23 commits the Township to sell the sewer system. Supervisor Shoemaker said Resolution 23 does not, but the Board will be voting on the proposed ordinance at the end of the meeting regarding selling the sewer. Discussion ensued. Supervisor Handelin moved to approve Resolution 23 of 2020. Supervisor Lange seconded the motion. There were no further comments from the Board or the public, and the motion carried by a vote of 3-0.

Malvern Fire Company – Supervisor Handelin moved to approve an unbudgeted expenditure of \$100,000.00 to the Malvern Fire Company in support of EMS services. Supervisor Lange seconded the motion. Supervisor Shoemaker explained Malvern Fire Company had approached the Township for additional funds due to the COVID-19 pandemic. Keith Johnson, EMS Chief for the Malvern Fire Company, thanked the Board for considering the contribution to the fire company. There were no further comments from the Board or the public, and the motion carried by a vote of 3-0.

Escrow Release- Supervisor Handelin moved to authorize the release of escrow funds for the development known as Willistown Point to Rouse/Chamberlin, LTD. This is the initial release request in the amount of \$95,591.87. Supervisor Shoemaker seconded. Ms. Slook commented this leaves \$1,290,450.00 in escrow. There were no further comments from the Board or the public, and the motion carried by a vote of 2-1. Supervisor Lange has stated on the record before he is opposed to this development.

VPP Grant Contract – Supervisor Handelin moved to authorize the signing of the Vision Partnership Program grant contract with the County of Chester and Gaadt Perspectives. LLC for the total amount of \$82,000.00. Supervisor Lange seconded the motion. Supervisor Shoemaker explained this is in support of the Comprehensive Plan Update being done by the Township. Ms. Slook commented the County will award the Township \$40,000, and the Township will pay \$42,000. There were no further comments from the Board or the public, and the motion carried by a vote of 3-0.

Sale of Assets – Supervisor Handelin moved to approve the selling of the following assets on Municibid: a 2004 Ford Expedition LXT, a 2003 Chevrolet Blazer, and a 2001 Ford F-550 Super Duty XL. Supervisor Lange seconded the motion. Ms. Slook explained that Municibid allows the Township to auction off assets instead of putting the assets out to bid. Supervisor Handelin asked if citizens are allowed to bid. Mr. Hagan explained anyone could bid on Municibid, including other municipalities, businesses, and citizens. There were no further comments from the Board or the public, and the motion carried 3-0.

Ordinance 5 of 2020 – Supervisor Handelin moved to open the hearing for the proposed ordinance authorizing the execution by Willistown Township of an asset purchase agreement between the Township and the purchaser, Aqua Pennsylvania 2 Wastewater, Inc. Supervisor Lange seconded. There were no comments from the Board or the public, and the motion carried 3-0.

Supervisor Shoemaker introduced PFM Managing Director Scott Shearer. PFM is the consulting firm the Township hired earlier in the year to assist the Township with the sewer evaluation process. Mr. Shearer conducted the presentation. The presentation is attached to the minutes and on the [Township website](#) to review.

Henry Jordan, 152 Grubb Road, commented the Township is moving forward with a transaction without some of the numbers finalized. He has not seen the stated yearly sewer rate increase of 3.4% over the last 10 years; his rate increase has been much lower. Supervisor Shoemaker has stated there has not been a yearly increase of 3.4% every year; in some years there were no rate increases because sewer customers have vehemently opposed it. If the Board decides not to have a rate increase, the Sewer Capital Reserve Fund is drawn down to cover repairs and emergencies. When the Township has increased rates in the past, the average target number is 3.4%. The costs of running the system is costing the Township more and more every year. Discussion ensued. Mike Kerr, 33 Stonehenge Drive, asked about the \$700,000 for grinder pump customers. Supervisor Shoemaker explained there are 312 grinder pump customers, and Township will set aside enough money to replace and install the grinder pumps when they fail. Discussion ensued. Fred Haack, 486 E. King Road, said he has followed Aqua PA for several years as an investor and knows they do an excellent job taking over municipal systems and investing in them. His concern is if the Township will mispend the proceeds on something like a new Township building. Supervisor Shoemaker stated there will be a lot of open public discussion of what will be done with the proceeds besides the two funds, such as flood control, which benefits both sewer customers and non-sewer customers. The Board will make sure the proceeds are used to benefit the residents of Willistown. Thompson Maher, 5 Reynard Road, commented his property has a grinder pump and a well and what will be the metric used to charge for usage. Supervisor Shoemaker commented during this sewer evaluation process; the Board was made aware that well users have received “phantom bills,” and the Board is committed to fixing the problem whether the sale goes through or not. The issue has not been resolved, and the Board will continue to work on the issue. Bill Kenney, 150 Grubb Road, commented the residents who have paid into the sewer system over the years and built the asset don’t have a fair and equitable firm dollar amount to flatten out the future rate increases. Supervisor Shoemaker said all they

can do is look at the indictive rates Aqua has presented. In 2025, after Aqua has gone to the PUC and made their rate case, the Township will adjust the amount set aside in the fund. If all the fund money is not used for the first rate adjustment, the funds can go towards the next rate adjustment in future years. Discussion ensued. Supervisor Handelin added she is a sewer customer and believes the Township has done a great job building and maintaining the asset despite the fact municipalities are not experts in sewer systems. She feels the Township has been careful in researching and analyzing the potential sale. The Board promises to find a representative pool of sewer customers to place on the committee to discuss how much of the proceeds should be invested in transitioning to a professional company to manage the system. John McGowan, 149 Grubb Road, asked if Aqua would extend their offer out an additional 30 days. Scott Sherer commented the Township could do one extension, but this will delay closing into 2022. Discussion ensued. Elizabeth Jekot, 18 Applewood Road, commented she believes selling the sewer system to a company whose expertise and experience in sewer systems is important to lessen the chance of sewer contamination in drinking water and the environment. Discussion ensued. Lisa Flynn, 148 Grubb Rd, asked if the grinder pumps will be replaced soon and with what type of pump. Supervisor Shoemaker commented the grinder pumps would be replaced when they fail, and the Township will cover the cost of the pump and the installation. Currently, the cost is around \$2,000, and they will replace it with an in-kind new grinder pump or a better pump if it's cost-effective and the technology is available. Discussion ensued. Dennis Faith, 4 Reynard Rd, asked for clarity for the committee to determine the amount of money in the fund. Supervisor Shoemaker said besides the Finance Director and one Supervisor, the committee would be a represented group of all the sewer ratepayers in Willistown, including residents on a gravity system, grinder pump system, grinder pump and well system, and from the non-residential users. Scott Kearney, 141 Grubb Rd, commented he has gone through 3 grinder pumps in the last 5 years and had high "phantom bills" in the past. He is hoping Aqua and the Board will work to solve this issue. Supervisor Shoemaker commented the Board is committed to fixing this issue for grinder pump and well users whether the sale goes through or not. Charles Marshall, 32 Wistar Road, asked about the proceeds going towards flood control and whether Willistown is looking at assessing a stormwater fee for flood control, infrastructure, and the MS4 program. Supervisor Shoemaker explained there are no plans to assess fees mainly due to how the MS4 program is structured. Discussion ensued.

Supervisor Handelin moved to adopt the proposed ordinance authorizing the execution by Willistown Township of an asset purchase agreement between the Township and the purchaser, Aqua Pennsylvania 2 Wastewater, Inc. and authorizing the assignment of the Township's rights and obligations in all relevant Agreements to Aqua. Supervisor Lange seconded. There were no further comments from the Board or the public, and the motion carried 3-0.

Citizens' Comments

None

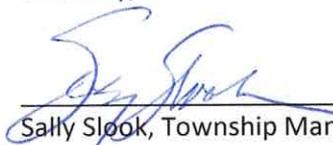
Next Meeting

The next regular meeting will Board of Supervisors will be the annual reorganization meeting Monday, January 4, 2021, at 7:00 PM via Zoom.

Adjournment

Seeing no further business, the meeting adjourned.

Sincerely,



Sally Slook, Township Manager