

SEWER RESERVATION ORDINANCE INFORMATIONAL MEETING

February 17, 2021 - 7:00 p.m. 35 W. Railroad Ave, Shrewsbury

Present: Mayor Michael Sharkey, Richard Buchanan, Ted Nadobny, Fred Arbogast, Stephen Mayoryk, and Mark Beran. Present via Zoom: Mike Weaver and Keith Wills

Others present: Brian Sweitzer, Supt. Of Public Works; Nate Kirschman; Brian Parrish; Ken Thomas; Kevin Shaub; Al Taylor; Cherie Harris; Michael Caum; Amelia Nadobny and Phil Robinson. Present via Zoom: Beth Kern, Esq.; Nancy Winemiller; John Seman; Craig Womer; Paula Trimpey

The purpose of this meeting was to review the current draft sewer reservation ordinance with the property and business owners of Shrewsbury Borough and to provide the property and business owners with an opportunity to make comments and ask questions about the current draft ordinance.

R. Buchanan called the meeting to order and presented a power point presentation, a copy is attached. Those in attendance were informed that the sewer reservation ordinance will create an opportunity for the Borough to sell excess EDUs that will go toward upgrades at the sewer treatment plant as opposed to borrowing money to fund improvements. In addition, those in attendance were also informed that in the past, developers tried to sue the Borough because of the excess sewer capacity it was holding. As a result, the Council wishes to protect the excess sewer capacity. The excess sewer capacity can be best protected by implementing the draft sewer reservation ordinance because it would serve as a policy to reserve the excess sewer capacity.

Public Comment:

Craig Womer, 50 East Church Avenue, stated he has a working septic system and feels that his property should be grandfathered with an EDU kept in reserve for him to connect if his on-lot system fails. His property was not made to connect in the early 1970s because connection was not available to him. Since the development to the north was done, he now has access to connect about 270 feet away at the school entrance. Craig was informed that the decision is his whether he wants to take a chance in the future, the Borough will not hold one for him. Craig further commented that he was disappointed with the idea to sell excess EDUs to benefit property owners in the Township. If his system fails and there are no EDUs, the value of his home is decreased. The Borough should take care of its citizens to maintain property values and to back the farmers.

Paula Trimpey, 17 North Main Street property, stated she had questions about the property in which her mother is currently residing in. Paula stated the property is large and at one time had three apartments and a business and she believes she will need to

purchase EDUs to keep open future options for the property. She asked how to find out what can be done with the property. The Secretary will respond to Paula when the office is open.

Al Taylor, Memory Lane, stated there are three large plots of open farm land in the Borough and that this reservation ordinance may force their hands to either develop or cause undue financial hardship to reserve capacity for the future. In Al's opinion, these property owners can't afford the yearly reservation costs. Al further commented as to why should Borough property owners suffer because the Township failed to plan accordingly. Al asked if EDUs are purchased, does he have to pay a quarterly sewer fee and he was advised that the answer was no.

Mike Caum 8 – 10 South Main Street, stated that when he was on Council, one of the long-standing policies was to preserve the reserve sewer capacity for future development within the Borough and for businesses that either expand or need more EDUs. Mike further commented why sell capacity to benefit the Township. Mike stated that he may move back to the Borough and if he gets back on Council, he doesn't want to sit here and ask where the sewer capacity went. He would like to see the excess capacity stay with the Borough for its own residents. Additionally, Mike commented once the capacity is gone, you won't get it back and if the plant needs to be expanded, the municipality that needs it, will have to pay for it.

Kevin Shaub, Shaub Road, stated that reserving sewer capacity would be a financial hardship placed on him, especially at his age, and to others who own larger tracts of vacant land. Kevin further commented that he thought the reservation fee is exorbitant when a farmed acre does not even net \$241.19 a year. He stated this could force development.

Ken Thomas, 33 Berkshire Drive, commented that he feels the reservation fee is unjust. The Borough has held the EDUs in reserve for about 35 years. Ken further commented that without EDUs to develop the land, the property will be devalued. He was glad to hear the main goal of the ordinance was not to collect monies but to put a procedure in place.

Mayor Sharkey stated that if you multiply the number of EDUs that could be reserved for undeveloped land by \$234.10 a year for ten years is not a lot of money to help pay for plant expenses.

The residents were advised that the sewer operating budget does not function for a profit. Any excess funds left go to the sewer savings account.

John Seman, 430 South Main Street, asked if he buys an EDU, is it his? John was informed that a purchased EDU is his but if he doesn't want it in the future, he can sell it back to the Borough for the same price he paid.

Ted Nadobny stated Council worked hard to come up with a plan and then invited the property owners to hear the proposal and to listen to their suggestions and comments.

F. Arbogast stated his thoughts on the reservation ordinance aren't so much for capital gain, but to put a policy in place to reserve the EDUs to make sure they do stay in the Borough and that developers can't sue the Borough for the excess capacity.

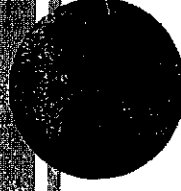
Council will discuss the draft ordinance taking into account the comments from this evening and then another meeting will be held.

The meeting was adjourned at 8:57 p.m.

Submitted by Cindy Bosley, Sec.

SHREWSBURY BOROUGH

**SEWER RESERVATION
ORDINANCE - DRAFT**



THE HISTORY THAT LED US HERE

- Shrewsbury Borough started requiring connection to the public sewer in 1972
- Plant Expansion of Capacity was done in 1992; the planning began 2 years prior
- All Municipalities were able to have whatever capacity they desired
- The intent was to have what capacity would be needed out to the year **2015**
- Shrewsbury Borough planned for full development of all farm lands etc.
- Shrewsbury Township planned for minimum growth and development
- The above difference in planning has led to land owners and developers in the Township wanting to purchase capacity owned by the Borough
- The Borough needs to know what capacity we can possibly sell in the Twp.

WHERE WE ARE TODAY

- Sewer usage is measured by metered water consumption, and the allotted gallons per Day is 350, thus in a Quarter (our billing cycle) it is 31,500 gallons.
- The above figures equal 1 EDU (Equivalent Dwelling Unit)
- Every Residence must have 1 EDU, businesses must also have a minimum of 1 but many need more than that based on how much water they consume = sewage
- In addition to the actual volume of sewage put into our sewer lines, we also have mother nature's input, known as I&I (Inflow and Infiltration)
- Shrewsbury Borough expends a lot of time and funds to minimize the impact of I&I
- The impact of newer water conserving toilets, dish washers etc. have aided us in the reduction of water usage, thus the volume of sewage put into the Treatment Plant has actually been reduced even with the Borough's growth over the years

CURRENT AVAILABLE CAPACITY

- The Borough's Engineering Firm of Holley & Associates has conducted many studies over the years to forecast what our future EDU capacity needs may be
- Although we have often used the term "Allocated", it is not correct to assume planned expansion is a given for any particular piece of property
- As we draw near to the limit of our capacity, we need to know what land may, or may not, ever be developed
- The Borough currently has **303 EDUs available for sale**, of which 256 are allocated to potential development, and the remainder are for internal Expansion / or a general Reserve
- To assure land owners within the Borough that the EDU capacity will be there should they desire to use it in the future, a **Sewer Reservation Ordinance** has been drafted, and that is the primary purpose of tonight's public meeting.

THE PURPOSE OF THE ORDINANCE

- A financial commitment is required to have the Borough Reserve EDU capacity for a specific property. There will be no "speculation" of EDUs allowed.
- This financial commitment is minimal (7.4% of the Tapping Fee), and is intended to encourage growth within the Borough rather than outside of it
- Current Business Owners must also consider their future growth or changing business plans to determine if they will need more EDU Capacity
- The Borough Council has spent more time discussing this Draft Ordinance than any other topic in the past 32 years, yet we are still open to public comment
- Following tonight's meeting, the Council will once again review the Ordinance, consider what is said here tonight, and finalize the Ordinance at a future meeting

THE MECHANICS OF RESERVING AN EDU

- The CGA Law Firm (our Borough Solicitor) has prepared a detailed fact sheet that was sent out with the letters, and copies are available near the entry door
- The financial commitment will be 60% of what the average residential usage is, and that amount is currently **\$ 234.19 per Reserved EDU**, to be paid annually
- An EDU can be held in Reserve for a total of 10 years before a final decision must be made. Extensions beyond 10 years will be at the sole discretion of the Council.
- At the end of that time period, either the balance of the full purchase price must be paid, or the option to receive back 75% of the payments already made is available upon the release of the reserved EDUs
- With the **current Tapping Fee being \$ 3,156.05**, at the end of 10 years the **balance due would be \$ 814.15** (assuming the tapping fee is not increased in later years)

THE SURE THING

- Any property owner, or business, within Shrewsbury Borough can purchase an EDU right away without having to use the Sewer Reservation Policy
- The Sewer Reservation Policy is for those that want to Reserve EDUs for future use and are not ready to fully purchase them right now
- The point needs to be made that a purchased EDU, if not used for the property for which it was purchased, **can NOT be sold elsewhere**. If an EDU is not needed, the Borough will purchase it back at the full amount that was paid at the time of purchase. In such a case, the returned EDU will go into the Reserve, and may or may not be made available for sale dependent upon a review of the EDU status by the Borough Council.

THE GAMBLE

- After allowing ample time for your decision making and financial planning, the Borough Council will then consider what quantity of EDUs to hold in Reserve for future internal growth. Internal growth does not include land development.
- Should there be a determination that there is excess capacity, the Council will have the option of selling that capacity for use within Shrewsbury or Hopewell Townships (that area of coverage managed by the Shrewsbury Sewer Authority)
- A property owner, or business, that does not elect to Reserve EDU capacity is taking a calculated risk that sometime in the future, they may wish to purchase EDU capacity, and will find that none is available. Expansion of the plant is not anticipated anytime in the near future, if at all due to the financial impact.
- An example of the above "worst case scenario" currently exists in the Stonebridge Development. Land exists that has no EDU capacity, thus it has little Real Estate value or potential for sale.

THE TIME TABLE

- The final Sewer Reservation Ordinance should be completed in a month or two
- Applications for Sewer Reservations should be made within the next 4 to 6 months, although there is no deadline for new applications
- The initial payment for the Reservation will be due within 6 months of the signed agreement with the Borough, and henceforth in Jan of each year
- Shrewsbury Borough will send out an annual billing notice to remind you of the required reservation payment
- Please be sure to read the handout that has been provided to insure you do not miss any of the details