



The following summarizes our recent activities performed on behalf of the Howe Township Municipal Authority from July 18 to August 21, 2017:

### **Howe Township Sanitary Sewer Extension Project**

A bid extension request was made to Sippel Development to extend their bid another 90 days. They are contacting all of their equipment suppliers and subcontractors to ensure that they will continue to hold their prices.

*In correspondence dated May 24, 2017, Sippel Development has agreed to extend their bid for Contract 16-1: General Construction through August 20, 2017. Contract 16-2: Electrical Construction was not extended and therefore will need rebid. Based on recent correspondence with the Newport Borough Municipal Authority, it is highly unlikely that the WWTP Upgrade Project will be bid prior to September 2017. As a result, Contract 16-1 will be requested to continue to extend their bid and Contract 16-2 will not be rebid until NBMA is ready to bid their Project. At this time, the current rate projections don't meet the initial guidelines established by the Township and Authority.*

*Project financing through PENNWORKS and PENNVEST is in place; however, closing cannot proceed until NBMA's WWTP Upgrade Project is bid.*

We are currently working on completing additional rate structure alternatives using debt service payments to NBMA in lieu of an upfront capital contribution. Currently, this alternative does not reduce the projected user rates, as it would require return of grant money (unused dollars are removed equally from grant and loan). We are currently working with PENNVEST to see if these remaining grant funds could be used to help offset start-up costs for the initial year operation.

Initial quotes received for Contract operation services were estimated at \$24,000 annually. We believe that these costs are high. In discussion with the service operators the costs are high due to the travel time for their operators to get to the site. We recommend contacting the operations staff at Newport and Millerstown to identify if they would be interested in providing the Authority part-time services.

We also recommend that the Authority contact their insurance company to identify what the annual insurance expenses would be upon completion of construction of the system. This cost is currently estimated in the rate analysis as \$5,130 annually.

Finally, the Authority should begin to evaluate how and when they will be billing customers. This cost combined with general administrative expenses has been estimated at \$21,130 annually.

### **2017 CFA Small Water & Sewer Grant Application**

The 2017 CFA Small Water and Sewer Grant Program is still currently unfunded. We anticipate that once the State Budget is approved, the Program will be funded. Upon notification of the program funding, we will submit a confirmation of assignment for completion of a grant application for the Buffalo Crossing Forcemain. The cost to submit the application will be made entirely by the Developer for Buffalo Crossing. This process will need to be completed quickly as the grant applications are due by October 30.



**ENGINEER'S REPORT TO  
HOWE TOWNSHIP MUNICIPAL  
AUTHORITY**  
August 21, 2017  
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Please feel free to contact me if you have any questions regarding this report or other items.

Respectfully submitted,

**Herbert, Rowland & Grubic, Inc.**

A handwritten signature in black ink, appearing to read "J. Fox", is positioned above the printed name of the signatory.

Joshua T. Fox, P.E.  
Regional Service Group Manager

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