

Northampton Township & Municipal Authority

Historical Records For Earlier Sewer Projects

by Northampton Supervisors Frank Rothermel & James Cunningham

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1. 1/9/76 Northampton Township Municipal Authority Packet to Chapel Drive Homeowner and relevant homeowner documents. Municipal Authority Packet includes Municipal Authority Letter forwarding Sewer Connection Notice dated 1/9/76, Application for Sewer Connection Permit dated 1/9/76, Sewer Connection Permit issued 3/11/76, and Northampton Ordinances No. 72 (March 11, 1963 initial sewer ordinance requiring connection for all buildings within 150'), No. 136 (March 27, 1974 amending initial Ordinance 72 to add Municipal Authority to indemnification clause of § 3.02), and No. 142 (November 13, 1974 increasing penalties for non-compliance to \$300 per day).

Sewer Connection Notice makes clear that homeowner is only charged a "Total Tap-In" Fee of \$425 (consisting of \$100 Connection Fee + \$325 Tapping Fee). Notice also makes clear that \$425 Tap-In Fee waived if homeowner tapping into a developer-installed "dry sewer line". So, if the Municipal Authority installed the sewer main running down in front of your home, you paid \$425. If you were buying a new home and your developer installed the sewer main then your \$425 Tap-In Fee was waived because this \$425 charge was paid by your developer (see Item #2 below).

Of critical importance, the Municipal Authority charged no additional front-foot assessments or benefit assessments to the homeowner or developer other than the \$425 Total Tap-In Fee. Homeowner, of course, was responsible for paying private plumber to run lateral from home to sewer main at front curbside. (Copies of Chapel Drive Homeowner's 4/2/68 New Home Sale Agreement and 9/16/76 receipt from private plumber for sewer lateral construction also included.)

2. 8/7/79 Letter of Transmittal from Tri-State Engineers to Northampton Township Municipal Authority for Pine Run Farms (Standard Cover Letter transmitting Engineering Drawings for installation by developer of sewer and water mains for Pine Run Farms. Plans omitted here but Exhibit A included, which shows that the Total Sewer Payment made by the developer C.W. Schrenk (d/b/a Green Valley Associates) was a \$425 Total Tap-In Fee (\$325 "Donation" and \$100 "Connection" fee) for each of the 63 homes (plus a \$250 Administrative Charge). **Again, the Municipal Authority charged no additional front-foot assessments or benefit assessments to the homeowner or developer other than the \$425 Total Tap-In Fee paid by the builder.**

3. 3/29/86 Memo from Northampton Township Municipal Authority Executive Director, Richard E. Lander, P.E. (Professional Engineer) to Northampton Municipal Board regarding proposed financing for sewers on Holly Hill Road (College Park). Letter references that last Municipal Authority installed Sewer Project (as opposed to developer-installed sewer projects) was for Cloverly and Drexel Drive sections of College Park which were sewerred in 1981. Mr. Lander notes that:

For Cloverly and Drexel Drives, the Authority paid for the entire project with the users paying the \$325 tapping fee and \$100 connection fee. Net cost to the Authority per connection was \$4,894 [in 1981 dollars].

Mr. Lander then attempted to calculate the average homeowner contribution for everyone who benefitted from the \$425 Total Tap-In Fee Program. This program was financed by the Municipal Authority floating approximately \$10 million dollars of sewer bonds in 1974 & 1976. His letter indicates that in addition to the \$425 Tap-In Fee, the affected homeowners paid approximately \$1,219 over that 10-12 year period to pay the debt service on the \$10 million of sewer bonds. A \$1,219 payment over 10 years would be approximately \$120/year or a \$10/month surcharge on each homeowner's sewer bill to help retire the bond debt.

From the above, we can see that for all homeowners from 1974 to 1986 who were required to switch from private septic to public sewer, they were only required to pay a \$425 Total Tap-In Fee and then an additional \$10/month surcharge to retire the outstanding bond debt floated for the sewer construction. **Again, the Municipal Authority charged no additional front-foot assessment or benefit assessment to the homeowner or developer other than the \$425 Total Tap-In Fee paid by the homeowner or builder, and the now identified \$10/month surcharge to retire the Authority's outstanding bond debt.**

Mr. Lander then continues in an attempt to calculate the Municipal Authority's contribution-per-homeowner for everyone in the \$425 Total Tap-In Fee + \$10/Month Debt Surcharge Program. He was unsure of the actual construction costs which were initially estimated at \$9.5 million. (Other documents revealed a \$1.7 million cost-overrun, bringing total construction costs to approx. \$11.2 million.) Mr. Lander was also uncertain of the exact number of homeowners who benefitted from the \$425 Total Tap-In Fee + \$10/Month Surcharge Program, estimating the number between 2,200 and 2,400 homeowners.

He then prepared a grid showing "Construction Costs" varying from \$9.5 million to \$10.5 million and then dividing this amount by the believed 2,200 to 2,400 homeowners to arrive at the Municipal Authority's contribution per home. As noted on page 2 of his letter, the Municipal Authority's estimated contribution per homeowner **did not** include any engineering costs or the sub-surface exploration costs, both of which we know can be considerable. In summary, Mr. Lander explained that if the Authority paid the entire cost as with the Township's previous sewer projects (save the \$425 Tap-In and \$10/Month Surcharge), the average cost would be \$4,975 per homeowner (in 1986 dollars) which he indicated "compare[d] favorably to the Cloverly and Drexel Drive figures."

4. 9/6/89 Northampton Township Municipal Authority "Proposal for Funding of Sewer Installation in the College Park Area." Memo was written by then Municipal Authority Board Chairman, John T. Poprik (husband of Patricia Poprik, Treasurer of Pennsylvania Republican Party, Vice-Chairwoman of Bucks County Republican Committee, and President of investment banking firm First American Municipals through whom nearly \$50 Million (\$50,000,000.00) of municipal bonds have been issued through Northampton Township and Northampton Township Municipal Authority, all on no-bid contracts.

During the intervening three years from 1986 to 1989, the Municipal Authority Board members grappled with the fact that the Authority could no longer finance the **entire construction costs of its septic-to-sewer projects as they had in the past** (save the \$425 Tap-In Fee and \$10/Month Surcharge), and decided that homeowners would now have to pay a portion of those construction costs. There was no consensus, however, as to what percentage of the construction costs should be assessed against the homeowners, and whether it should be done by front-foot assessments, benefits assessments, a combination of the two, or by greatly increased tap-in fees to \$6,000 - \$8,000.

In this 9/6/89 Memo, Chairman Poprik finally announces that the Municipal Board had agreed to split the costs with the homeowners 50/50 in the College Park and Harvest Acres area:

[The] Authority is willing to extend sewer service to existing homes which is sewerage can flow by gravity to existing line(s) near the subject homes. The Authority is willing to pay 50% of the project construction cost (including engineering study and design work and legal

fees) of the mains with a limit of \$5,000 per E.D.U. (Home or equivalent). The construction cost will exclude the individual laterals and required Tapping and Connection Fee.

Total planned contributions from the Authority for the 230 homes (185 in College Park and 45 in Harvest Acres) was \$1,150,000 (230 homes x \$5,000 maximum contribution in 1989 dollars).

5. 1/24/90 Letter from Northampton Township Municipal Authority Executive Director, Richard E. Lander, P.E., to Township Manager Bruce Townsend discussing the "College Park Area Assessment." Within the intervening 4 months, and in response to mounting pressure from the affected residents, the Municipal Authority agreed to increase its paid share of the project to 62.1% (from its previously agreed 50/50 split). Mr. Lander explained that:

It should be noted that the Authority's share of the construction costs is equivalent to \$49.64 per foot [in 1990 dollars]. The residents will be paying \$300,000 and the Authority will be paying \$500,000.

The \$30.00 per foot requested assessment [against the homeowners] is based on the construction costs and the Authority's previously agreed share of 62.1% of the costs. The residents share of 37.9% comes to \$30 per foot.

- 1990 **John Long, Jr.** becomes Board Member and/or Chairman of Northampton Township Municipal Authority.

George F. Komelasky assumes Chairmanship of Northampton Township Board of Supervisors (Vice-President of local insurance agency, Paist & Noe, and sells insurance to Northampton Township Municipal Authority all on no-bid contracts).

Thomas Zeuner, current Executive Director of Northampton Township Municipal Authority, was then serving as Northampton Township Supervisor and voted on and participated in all of the decisions regarding the ultimate costs borne by the Municipal Authority and the assessments levied against the affected College Park residents.

John Jim, current Board member of the Northampton Township Municipal Authority, was at the time already a longtime Republican Committeeman and lived in the College Park section where this sewer extension project was initially planned. In fact, Mr. Jim even completed a sewer survey at the time indicating his opposition to the Authority's planned sewer extension into College Park. While his street was ultimately not sewered because it was "over the ridge" and thus not serviceable by the gravity-feed system, Mr. Jim – through his duties as the area's longtime Republican Committeeman and as an initially affected homeowner in the project – is believed to have been fully aware that the Municipal Authority paid 66.7% of the final construction costs for his College Park neighbors who were ultimately sewered.

Robert Solarz, Chief Operating Officer of Gilmore & Associates, was also an affected resident in College Park who, along with the other affected residents, ultimately had Northampton Township's Municipal Authority pay 66.7% of the final construction costs of the College Park Sewer Extension Project.

State Representative Scott Petri, then an attorney in local private practice, undertakes representation of affected College Park residents and is in attendance and participates in multiple Township and Municipal Board hearings during 1990-1993 during which it is ultimately decided that the Northampton Township Municipal Authority will pay 67.1% of total construction costs for College Park Sewer Extension Project.

Ed Rudolph, Esquire is believed to have become Solicitor to the Northampton Township Municipal Authority on or about 1992, and was obviously involved in the discussions of how the Authority can no longer finance the entire construction costs of these septic-to-sewer projects, and how and by what percentage (50%, 60%, 62.1% or the ultimate 66.7%) the Authority would be underwriting for the entire total construction costs for the College Park Sewer Extension Project.

1990-1992 **Municipal Authority** decides to only sewer portions of College Park, and drops plans for sewers in Harvest Acres. Bids awarded in Fall 1990 and construction is believed to have continued through 1991-1992. Municipal Board Chairman John Long, Jr. in close contact with Northampton Township Chairman George Komelasky and other Township Supervisors (including Thomas Zeuner, Pete Palestina, Jim Kinney), Solicitor Ed Rudolph, then-attorney Petri, and other community residents and leaders (which would likely have included John Jim.) Discussions are believed to include extensive briefings regarding exactly how to finalize assessments for affected College Park residents.

6. 4/22/93 Northampton Township Municipal Authority's Sewer Assessment Letter to affected College Park Residents. Executive Director Richard E. Lander, P.E., advises resident that the Municipal Authority has set the assessment at \$20.78 per front foot. This particular parcel was a corner property and was determined to have 322 assessable front feet (measured by including both sides and deducting 125 feet from short side of corner). Mr. Lander notes that:

Based upon the determination of 322 assessable front feet of your property, your total assessment is \$6,691.16. **Please note that the Authority has absorbed 60% of the total cost of this project.**

7. 5/17/93 Northampton Township Municipal Authority's Sewer Assessment Letter to same affected corner property resident. In the intervening three weeks (April 20-May 11, 1993), the Municipal Authority encountered vocal opposition from many affected College Park Residents, especially those who had corner properties and/or extended front footages who had been promised (in writing) that the assessments would be in the \$2,000 range with possible increases to \$400 for larger lots. In less than 3 weeks, the Municipal Board:

. . . **responded to the residents concerns** and recalculated the assessments for all affected property owners. The front foot cost was reduced to \$20 and the maximum frontage assessment was limited to 130 feet.

Thus, the previous \$ 6,691.16 assessment for this property was cut 62% to the now-imposed maximum assessment of \$2,600 (130 feet x \$20/ft).

8. 5/11/93 Northampton Township Municipal Authority Resolution No. 93-557 adopted which memorialized the final-final costs and assessments for the College Park Sewer Extension Project. The prior Resolution No. 93-553 adopted April 20, 1993 had set forth an assessment whereby the Authority would pay 60% of the constructions costs and the affected homeowners would pay 40%. With the assessment reduced to \$20/ft and properties capped at a maximum of 130 ft. assessments, the Authority ultimately ended up paying 66.7% of all constructions costs with only 33.3% assessed against the affected homeowners.

Conclusion:

Prior to 1993, no Northampton Township homeowner who had private septic and was being required to switch to public sewer is believed to have paid more than the \$425 Total Tap-In Fee plus the \$10/month surcharge to retire the Authority's \$10 million outstanding bond debt. Only with the College Park Sewer Extension Project of 1991-1993, were Northampton septic-to-sewer homeowners assessed a significant portion of the total construction costs. As demonstrated above, this percentage contribution varied from the initially planned 50% in 1989, to 37.1% in 1990, to 40% in April 1993, upon settling at a final-final 33.3% share in May 1993. As such, the Authority paid the entire constructions costs before 1993 (save for the \$425 Total Tap-In Fee and \$10/month debt surcharge), and in its last septic-to-sewer project in 1993 paid for 66.7% of the total construction costs.

We note that after 1974, almost all new developments would have included developer-installed sewers. The costs were extremely modest then, and remain very affordable given that they are installed at the very beginning of the development before any roads are laid or trees planted. From review of builder escrow records, sewer costs in a Toll Brothers development as late as 2002 (Northampton Hunt Phase III) were believed to be less than \$3,500 per home.