

NORTHEASTERN YORK COUNTY SEWER AUTHORITY

FEBRUARY 15, 2021

The Northeastern York County Sewer Authority met on Monday, February 15, at a special meeting beginning at 7:00 PM by Zoom.

Authority members in attendance were:

Mt. Wolf Borough

Patti Fisher
Bill Marquis

Manchester Borough

Dale Benedick
Judy Hilliard

East Manchester Township

John Nace
Tyler Kramlick

Engineer

Christopher Toms
Nate Hardman

Solicitor

Attorney Stacey MacNeal

Plant Manager/Recording Secretary

Pat Poet

Visitors

Employee Desire Boorujy, Jamie Schlesinger, Ryan Mentzer, David Twaddell, Steve Gross, Chuck and Amber Kraft.

Chairperson John Nace opened the meeting.

Krafts – The Krafts were present to discuss the possible sewer connection at 201 South 8th Street in Mt. Wolf Borough for a home they are planning to construct. After discussing several options available for the Krafts to connect to public sewer, the Sewer Authority did not dispute that the Krafts property is not benefited, improved or accommodated by the public sewer. The Krafts withdrew their request for an exemption and intend to construct an on-lot system to serve their proposed home. The Krafts will need to contact Mt. Wolf Borough Council to confirm that the Borough agrees with their interpretation of the Borough's mandatory connection ordinance and apply with the Borough SEO for a permit for an on-lot system.

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Financing

Jamie Schlesinger from PFM and David Twaddell from Eckert Seamons were present to discuss options the Authority has to obtain additional funding for a bank loan of up to \$10 million dollars. This loan will be used to fund several projects, including a \$4.5 million dollar extension of a sewer line in East Manchester Township, referred to as Area 2. Several loan proposals were received and Mr. Schlesinger reviewed them with the Authority. Mr. Schlesinger recommended either the proposal from BB&T (Truist) or C&N Bank. He provided what the debt service would be for both proposals through 2042 and the advantages and disadvantages of each. BB&T would fund the full \$10 million at closing but would allow prepayment of up to \$2.5 million within the first three years with no penalty. After the three years or a prepayment in a greater amount would have a 1% penalty. It has a fixed rate of 2.1% for the full 15-year term. C&N is a draw down loan with a 3-year draw period. It has a fixed interest rate of 1.89% for the first five years and then becomes variable with a maximum rate of 3.5%.

After a discussion regarding both bank loan proposals, the Authority decided the proposal from BB&T (Truist) is the one that best fits the Authority's needs.

Attorney Twaddell will prepare a Resolution for next Monday's regular Authority meeting for the BB&T (Truist) proposal. Attorney MacNeal noted the three municipalities will need to approve this borrowing with a guaranty agreement before it can close. The borrowing will be discussed at the intermunicipal meeting on the 23rd of this month.

Attorney MacNeal explained the reimbursement resolution which would allow the Authority to reimburse itself for invoices already paid for services received in connection with any of the proposed projects to be paid with the \$10 million dollar loan.

At 8:34 PM a Marquis/Benedick motion was made to adjourn. Motion passed unanimously.

NEXT REGULAR MEETING - February 22, 2021 - 7:00 PM

