

NORTHEASTERN YORK COUNTY SEWER AUTHORITY

March 25, 2013

The Northeastern York County Sewer Authority met on Monday, March 25, beginning at 7:00 PM in the Authority meeting room at 200 North Main Street in Mt. Wolf.

Authority members in attendance were:

Mt. Wolf Borough

George Miller
Patti Fisher

Manchester Borough

Clair Good
Gene Snell, Jr.

East Manchester Township

John Nace
Joel Klinedinst

Engineer

John Leen

Solicitor

Attorney Stacey MacNeal

Plant Superintendent

Tom Prowell

Recording Secretary

Pat Poet

Special Projects Coordinator

Tom Beakler

Visitors in attendance were: Gordon Walker, David Twaddell, Christian Jordan and Peter Nestlerode.

Minutes

The minutes from the February 25, 2013, meeting were approved as mailed.

Visitors/Correspondence

Gordon Walker – Mr. Walker, from PFM, made a presentation on how the Authority could save money on refinancing the current loan with Susquehanna Bank. He explained how the government is lowering the reimbursement percentage from the original 35% the Authority currently receives, which will cost the Authority additional dollars on their quarterly payments to Susquehanna Bank. The current rate with Susquehanna Bank is 5.01%. With the Build America Bonds subsidy of 35% of the interest, the actual interest rate now being paid is 3.25%. After researching several options, which included PNC Bank, People's Bank and Susquehanna Bank, Mr. Walker suggested refinancing with Del-Val. The Authority has borrowed money from Del-Val in the past.

March 25, 2013

Page 2

At this time the interest rate the Authority could obtain with Del-Val is 1%. In order to obtain this loan, the Authority must obtain a credit rating of A- or better. He suggests using Kroll as the rating company. If the Authority could only obtain a BBB+ rating, a \$3,500 out of pocket expense would have to be paid up front. This loan would require a municipal guarantee from the two Boroughs and East Manchester Township. The loan with Del-Val is flexible; it can be set as a fixed rate for a different amount of years. Mr. Walker presented different scenarios, one with a fixed rate the entire life of the loan and one with a fixed rate for the first several years, which made the cost savings larger during those first years. This loan is always pre-payable, however if the rates are lower than the one obtained, there could be a penalty for early payoff.

7:15 PM – Pat Poet left meeting.

After additional discussion with Mr. Walker and Mr. Twaddell, a Miller/Nace motion was made to proceed with obtaining a rating for the Authority and authorize Gordon Walker to obtain the necessary information needed from the three municipalities. Motion passed unanimously.

Mr. Walker will contact Pat tomorrow to obtain contact information for the three municipalities. He will also work on different options the Authority could take with Del-Val.

Operations Report

Tom Prowell's operation report was reviewed.

Manhole Repairs – After discussion, a Fisher/Klinedinst motion was made to approve two manhole repairs, one on Manhaven Drive and one in the right-of-way at Crossings Way at a cost of \$3,631.38. Motion passed unanimously. Infratech Industries will be doing the repair.

Personnel Committee – A new personnel committee was formed. Members on that committee are Clair Good, Patti Fisher and Gene Snell.

7:40 PM – Pat Poet returned to meeting.

Special Projects Report

Flood Project Reimbursements – Tom Beakler updated the status on the applications for reimbursement he is completing for all of the flood projects. He noted the railroad boring was to begin today, but because of the snow, it was delayed until the next good day of weather.

Solar Credits – Tom B. spoke with Larry She from Mercuria regarding the possibility of selling solar credits. Unfortunately, the solar panels will not generate enough energy to sell solar credits.

Authority Administration

Audit – The 2012 audit has not yet begun.

March 25, 2013

Page 3

Delinquent Accounts – Forty-eight water termination notices were sent out this past Friday.

Printer Purchase – A Good/Miller motion was made to authorize the purchase of a new printer for Betsy's office. Motion passed unanimously.

Solicitor's Report

Electricity Purchase – Attorney MacNeal reported the agreement with Blue Star Energy will end the middle of June. The Authority is to note if a letter is received from Blue Star, as it may be a notice of renewal which will need to be addressed within a few days of its receipt. Pat noted Mr. Ted Motz would like to attend an upcoming Authority meeting to make a presentation on an offer to purchase electricity from First Energy Solutions.

Engineer's Report

Chapter 94 Reports – John Leen reported the Chapter 94 reports are completed for both plants, and no organic or hydraulic overload is projected for five years. John noted for the Mt. Wolf plant, one result was not used because it was taken during tropical storm Lee. Using that one particular number would have skewed all results. This practice has been used in the past and is acceptable to DEP.

Requisition Amount Correction – The requisition amount to approve for Fitz and Smith has been corrected to \$55,662.57. That amount has been noted on the requisition for tonight's approval. The adjustment was made to remove the cost of the fencing, since it has not yet been installed by Security Fence.

NPDES Permit – DEP has not made any response to the permit renewal for the Mt. Wolf plant. The permit expired February 28, 2013. The application for the renewal was submitted on September 1, 2012.

Treasurer's Report

Invoices – A Miller/Nace motion was made to approve the invoices as submitted. Motion passed unanimously.

Requisitions – A Good/Klinedinst motion was made to approve the following requisitions: **2013-7-TD** for payment to **C. S. Davidson, Inc.**, totaling \$15,980.53 for engineering fees on the flood projects, **2013-8-TD** for payment to **C. S. Davidson, Inc.** of \$222.05 for engineering fees for the maintenance building and **2013-9-TD** for a \$55,662.57 payment to **Fitz & Smith** for work completed on the flood projects. Motion passed unanimously.

Adjourn

At 7:58 PM a Miller/Fisher motion was made to adjourn. Motion passed unanimously.

NEXT MEETING: Monday, April 22 - 7:00 PM – 200 North Main Street