

NORTHEASTERN YORK COUNTY SEWER AUTHORITY

July 22, 2013

The Northeastern York County Sewer Authority met on Monday, July 22, 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

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, Bill Carlin, David Twaddell and Jim Coble.

Minutes

The minutes from the June 24, 2013, meeting were approved as mailed.

Visitors/Correspondence

Gordon Walker – Mr. Walker updated the Authority on the possible borrowing of 3.1 million dollars from The Delaware Valley Financing Authority (Del Val), and the refunding of the 2009 bank loan. He has a verbal commitment from Assured Guarantee that they will insure the issue. He is hoping to receive draft documents this week from Del Val, including the draft Resolution and the three Guarantee Ordinances for the three municipalities to review and vote upon at their August meetings. He hopes the closing can be held around September 25th. The Authority will not be able to lock in the interest rate until the three municipalities adopt their respective Ordinances. There are two options for the \$3.1 million new money, one is for a twenty years

term and the other is for a twenty-nine years term. The twenty year option has a slightly lower rate of interest than the twenty-nine years option, and the total debt service over the life of the loan for the twenty-year option is less. However, the twenty-nine year option has a lower annual debt service, would allow the Authority to lessen the rate impact on its users, and allows for more flexibility on an annual basis. Both options have a five-year call option. The loans can be prepaid at any time so long as the current Del Val interest rate is not lower than the existing rate, in which case there would be a penalty. The Authority would have the option of setting aside excess revenues for early payments. This loan would have a variable rate until the closing occurs so that it can be repaid in case the closing falls through. After closing, the rate can be fixed at no additional cost.

Gordon then spoke about the refinancing of the approximately \$1.5 million loan, currently with Susquehanna Bank. This proposal is to refinance this for the same term, fixing the rate for the first three years at approximately 1 percent. This would result in more than 12% savings over the life of the loan. Additionally, the status of the Build America Bonds subsidy is in flux and changes to that subsidy would only result in more savings to the Authority. After discussion a Miller/Klinedinst motion was made to authorize Gordon Walker to move forward with the refinancing of the approximately \$1.5 million with Del Val, fixing the rate for the first three years. Motion passed unanimously. Monthly payments of interest would be made on the loan plus one payment for principal annually.

Additional discussion was held regarding the \$3.1 million borrowing. A Klinedinst/Good motion was made to choose the twenty nine year option, and authorizing PFM to move forward with this financing. Motion passed unanimously. Gordon explained that if the \$3.1 million project does not materialize, the money can be paid back with no penalty.

David Twaddell – Attorney Twaddell prepared a Reimbursement Resolution and explained the reasons why this resolution is necessary. This Resolution will allow the Authority to reimburse itself for any expenses with regard to the borrowing. A Miller/Klinedinst motion was made to adopt the Reimbursement Resolution. Motion passed unanimously.

Attorney MacNeal noted the Authority will be holding a special meeting on Monday, August 5th beginning at 7 PM for adoption of the Resolution on the borrowings. The following week, the three municipalities each have their regular August meeting, where the Guarantee Ordinances will be available for review and adoption.

Operations Report

Tom Prowell noted the total nitrogen discharged from the Mt. Wolf plant through the end of June was 8,300 lbs. If that continues, the Authority should have a large amount of nitrogen credits available to sell for the year.

Ken Siders retired June 28th and the new employee, Todd Kline, is working out well.

On July 8th biosolids hauling started up again and so far 360,000 gallons have been applied to the farm fields, which is approximately one half of what is available to haul until the corn is harvested.

A motor starter had to be replaced at the Mt. Wolf plant and there is an additional repair needed to a second pump at the Orchard Business Park pump station.

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The three mixers in the Mt. Wolf plant were pulled and inspected for the first time since the plant was put on line. Two of the mixers were good, however a cable had snapped on the third and it was replaced.

Special Projects Report

FEMA/PEMA Projects – Tom Beakler provided a financial update for both the small and large flood projects.

Authority Administration

Delinquent Accounts – Several customers will be receiving water termination notices in the near future.

Solicitor's Report

Executive Session – Attorney MacNeal would like to call an Executive Session at the end of this meeting to discuss possible real estate acquisition.

Engineer's Report

Fitz & Smith Final Payment Application – John Leen provided the final payment application from Fitz & Smith for the Wago Road project. The total amount is \$16,555.70. Liquidated damages have already been deducted from that amount totaling \$9,300.00, which represents 93 days @ \$100.00 per day. John recommends approval of the application.

Treasurer's Report

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

Requisitions – A Good/Fisher motion was made to approve the following requisition: **2013-14** to **Fitz & Smith** totaling **\$16,555.70**, which is the final payment application for the Wago Road project. Motion passed unanimously.

A Klinedinst/Good motion was made to approve payment of **\$161.68** to **CS Davidson, Inc.** for engineering fees for the maintenance building by requisition **2013-15**. Motion passed unanimously.

Executive Session - An Executive Session was called at 8:03 PM.

Regular Session – The regular session was called back to order at 8:18 PM.

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Community Party – Joel Klinedinst handed out invitations to a community party in Saginaw on Saturday, August 24th.

Adjourn

At 8:20 PM a Miller/Good motion was made to adjourn. Motion passed unanimously.

SPECIAL MEETING – Monday, August 5 - 7:00 PM - 200 North Main Street

REGULAR MEETING - Monday, August 26 - 7:00 PM - 200 North Main Street