

MINUTES
LOWER SWATARA TOWNSHIP MUNICIPAL AUTHORITY
MAY 18, 2009

Chairman Gingrich called the Regular meeting of the Lower Swatara Township Municipal Authority to order at 7:30 P.M. The record indicated the following officials in attendance:

- James R. Gingrich, Chairman
- James R. Brokenshire, Vice Chairman
- Charles A. High, Secretary
- Richard W. Wilkinson, Treasurer
- Donald Martino, Asst. Secretary/Treasurer
- Matthew D. Cichy, Engineer
- Peter R. Henninger, Solicitor
- Ronald J. Paul, Township Manager
- Leslie A. LaVia, Recording Secretary

Others in Attendance: Daryl Peck

Mr. Brokenshire, seconded by Mr. Martino made motion to approve the April 27, 2008 meeting minutes. The motion was unanimously approved.

Daryl Peck from Concord Public Finance distributed a report outlining project financing options and analysis. Mr. Peck had discussed financing options with the Board in April 2008. The Authority may want to consider completing two separate financings for the wastewater treatment plant upgrade projects. Lower Swatara Township Authority's share of the Highspire Plant upgrade costs based on the bids received is approximately \$6,431,000. The Authority must secure financing for the Highspire Project in the next 60 days. The Authority's Middletown share of the plant upgrade costs has been estimated at \$3,000,000 but financing that project cannot be done until actual costs are known.

Mr. Henninger informed the Board that he had a conference call with Mr. Cichy, Mr. McIntosh, Mr. Peck, Mr. Twadell and Mr. Paul last week to discuss the financing options. It was noted that State money is not yet available. If the Authority has

additional projects which will require funding, those projects costs could be financed as part of the second borrowing. Most likely the borrowing will be a 20-25 year term. Highspire Borough Authority will be meeting with their financial advisor this Thursday. Mr. Brokenshire will attend their meeting.

Mr. Henninger asked Mr. Peck why the Highspire project figure is listed on the report as \$6,431,000 when Highspire's low bid is \$5.6 million. Mr. Peck stated that a 10% contingency fee is included as well as the legal and engineering costs.

Some possible additional projects which would require financing include replacing the force main at the Linden Centre, replacing the pump station at the Linden Centre, and purchasing a new flusher truck. The cost to replace the force main has been estimated at \$650,000.

Mr. Peck stated that a decision needs to be made whether the Township or the Municipal Authority will be the bond issuer. If the Authority is the issuer, the Township would still guarantee the bonds. It was noted that the general obligation bonds would most likely have a lower interest rate than the Revenue Bonds.

Mr. Peck reviewed the financing analysis with the Board. There is existing annual debt service of \$620,348.75 through 2011. The incremental annual debt service would be an additional \$144,910.75. Mr. Peck stated that with the first borrowing, there would be no increase to the sewer rate until 2011 since there will be a two-year deferral on the new debt. With the second borrowing, the estimated monthly rate increase would be \$3.22 per EDU according to the analysis. Of course, other operations/maintenance costs or administrative costs could increase the sewer rate.

Mr. Cichy informed the Board that if Highspire Borough Authority moves forward with bond financing PENNVEST would not reimburse for other financing. Mr. Cichy informed the Board that information regarding PENNVEST money would be available July 21. It was noted that Highspire could hold a special meeting to award the bid in order to time any PENNVEST money with the bid award.

Mr. Brokenshire, seconded by Mr. Wilkinson made a motion to move forward with the financing for the Highspire Treatment Plant Upgrades, authorize Daryl Peck with Concord Public Finance to move forward with the General Obligation Bond financing,

and request that the Board of Commissioners consider financing the project with General Obligation Bonds. The motion was unanimously approved.

Engineer's Report: Mr. Cichy distributed his monthly written report. Mr. Cichy reported that the field work has not started for the Farr Pump Station Upgrade Project. The date of substantial completion is June 13, 2009. HRG has requested a revised schedule from the contractor. The contractor did indicate that the project should only take two weeks to complete. Liquidative damages would apply if the project is not completed on time.

Mr. Cichy reported that he has not received the letter from Wayne Schutz with Derry Township Authority regarding the metering of York Building Products Company's discharge to the sanitary sewer system. Mr. Mihalko indicated that York Building Products is working with CET-Inc. on the design of the facilities to connect to the sanitary sewer system.

Solicitor's Report: Mr. Henninger informed the Board that he sent a letter to the Charles Lauck, the son of the late Donna Lauck and also a letter to the niece, Deanna McClellan informing them that the estate should be opened by the family by June 1, 2009. After June 1, Mr. Henninger will petition the court on behalf of the Authority in order to settle the estate and satisfy the sewer liens on the property.

Manager's Report: Mr. Paul informed the Board that in addition to the possible projects mentioned earlier this evening, there are sewer lines in Old Reliance Farms that need to be replaced. A new pump station for the Linden Centre was briefly discussed. Since the pump station should be raised, perhaps a new site should be considered. Possible projects will be investigated further.

Mr. Wilkinson, seconded by Mr. High, made motion to approve the May expenses of the Sewer Revenue Fund in the amount of \$184,212.58. The motion was unanimously approved.

The next meeting of the Authority is scheduled for June 22, 2009. If a joint meeting is necessary, the Board will be notified. Hearing no further business, Mr. Brokenshire,

seconded by Mr. High made motion to adjourn. The motion was unanimously approved and the meeting adjourned at 8:40 P.M.

ATTEST:

Leslie A. LaVia
Recording Secretary