

**LOWER POTTS GROVE TOWNSHIP AUTHORITY    APRIL 12, 2010**

The Lower Pottsgrove Township Authority held their regularly scheduled meeting on Monday, April 12, 2010. Meeting was called to order at 7:00 P.M. The following attended:

Robert Lindgren, Chairman  
James Toth, Vice Chairman  
David Richards, Treasurer  
Joseph McGeehan  
Mark Loshnowsky

Rodney Hawthorne, Manager  
Stephen Kalis, Solicitor  
William Dingman, Engineer

**APPROVAL OF AUTHORITY MINUTES:** Mr. James Toth motioned to approve the minutes for March 8, 2010 and Mr. David Richards seconded the motion.

**OLD BUSINESS:**

1. **Developers Discussion & Update (CAP) and (CMP)**---Mr. Dingman handed out the CAP/CMP report #35 and reported that not much activity this report. Mr. Dingman reviewed and provided a report titled Sanatoga Area Sanitary System Flow Monitoring – Mr. Dingman provided a large plan and reviewed all the metered areas in the project target area. Mr. Dingman outlined some of the extremes, water running in low vents, direct connect of sump pumps all are targeted to be removed now that we have the final report. Mr. Dingman asked Solicitor S. Kalis to check the consent order to bring an end to the consent order involving the Authority. We have received a \$1000.00 check back from DEP as they determined the wet weather event on March 13, 2010 was a weather event and so we as well as other communities will receive checks back.

Mr. Dingman reported on the 537 and received comments back concerning the sewerage of non sewerage areas of the township; Park, Pruss Hill Roads and Ringing Rocks Park. Our response to DEP was that additional planning will be completed for those areas as development occurs with approvals in those areas. The township anticipates this to occur if the economy rebounds in about 5 plus years.

Mr. Dingman also reported at the DEP meeting we inquired again regarding the possibility of an EQ tank at Porter Rd since DEP had approved EQ tanks in other collection systems. DEP indicated those approvals were temporary without a date to convert to permanent facilities.

2. **DEP Consent Order & Agreement-Cap Report** –See Old Business # 1
3. **537 Plan Update**--- See Old Business # 1
4. **Capital Projects Borough of Pottstown Treatment Plant**—Mr. McGeehan wants to have a meeting with the Borough Authority as he asked earlier to be included. Mr. Hawthorne will set a meeting up with the Township Authority staff and the Borough Authority staff. Mr. McGeehan will send Mr. Hawthorne a memo with the questions he has for the Pottstown Borough staff along with the meeting dates.
5. **Gordon Walker of the PFM Group(Financing of New Force Main)**---Mr. Walker spoke to the board concerning financing options for the authorities projects force main and the Borough capital projects over the next 5 years. Mr. Walker handed out his financial report dated 4/12/10

to the full board. Financing options included \$5.3 million or \$4.3 million if I/I is not included. If we add the Borough capital project the numbers jump up approximately \$600,000.

- A)
1. Various levels of new money, amortized on a level debt service basis over 20, 25 & 30 years. This option would leave the current debt service structure in place as is.
  2. Same as above, except enough money would be included in the financing to pay off the Emmaus variable rate loan, effectively converting it to a fixed rate loan.
  3. Structure the new money on a “wrap around” basis, i.e., leaving the current debt structure in place and paying interest only on the new debt until the current debt is paid off in 2020, then pick up on paying down the 2010 Bonds principal. Within this structure, the Authority can decide to convert or not convert the variable rate Emmaus loan.
  4. Refund the 2005 Bonds, refund the Emmaus loan, add various levels of new money, and finance all over 20, 25 & 30 years on a level debt service basis.

	<u>Pros</u>	Summary	<u>Cons</u>
Option 1)	Least costly over the long term		Most expensive (more annual debt Service) for system users through 2019
Option 2)	Eliminates interest rate risk in Emmaus portion of Authority’s debt		Could be slightly more expensive if short-term variable rates stay low low through 2020
Option 3)	Less costly to system users than Options 1 & 2		More costly to system users than Option 4
Option 4)	The longer term options within this option should produce least costly option for system users through 2019		The longer term options within this option will be the most costly overall

B) Mr. Lindgren suggested the financing approach to consider a uniformed debt service payment of the term of the loan or borrowing. Mr. Lindgren also suggested using the shortest term possible a max of 20 years.

6. **Revised Letter for Exterior Property Inspection**---Mr. Hawthorne provided all board members, solicitor and engineer with the revised letter. Mr. McGeehan and Mr. Loshnowsky were sent copies from the last meeting for their review. Both were ok with the revised letter and so it will be acceptable to use when we start the exterior inspection program in our targeted area within the township to check for I/I.
7. **Inspection and Lateral Ordinance Update**---Solicitor H. Kalis, Mr. Hawthorne and Mr. Dingman met on this and Solicitor S. Kalis who sat in for Solicitor H. Kalis tonight said the new Inspection and Lateral Resolution would be ready by our May 10<sup>th</sup> meeting.

**NEW BUSINESS:**

1. **Approval of 6 Edu's for Ringing Rocks Elementary School**---Motion to approve the 6 edu's for the planning module for Ringing Rocks Elementary School was made by Mr. Toth and seconded by Mr. Loshnowsky. All approved with the exception of Mr. Lindgren who recused himself as he is on the school board.

**INFORMATION:**

Mr. Lindgren announced that he is being recalled for one year to military service and this will be his last meeting.

**April 12, 2010**  
**FINANCIAL REPORT**

**I. TREASURERS REPORT:**

Mr. McGeehan motioned to approve the Treasurer's Report, as reported by Mr. Richards and Mr. Loshowsky seconded the motion. All approved

<b>SEWER REVENUE ACCOUNT</b>	<b>\$1,362,933.60</b>
<b>CAPITAL IMPROVEMENT RESERVE</b>	<b>\$ 1,397.82</b>
<b>DEBT SERVICE RES EMMAUS LOAN</b>	<b>\$ 351,500.00</b>
<b>WATER FUND</b>	<b>\$ 66,723.87</b>
<b>DEVELOPERS CIP ACCOUNT</b>	<b>\$ 147,211.49</b>
<b>DEVELOP TREATMENT CAPACITY</b>	<b>\$ 32,789.26</b>

**II. BILLS FOR PAYMENT**

Mr. S. Kalis presented the following bills for payment, Mr. Loshowsky motioned approval for payment and Mr. Richards seconded the motion. All approved.

**CAPITAL BILLS**

**SEWER CAPITAL RESERVE PLGIT**

<b>BURSICH ASSOCIATES</b>	<b>\$ 1,281.00</b>
<b>BURSICH ASSOC-ACT 537</b>	<b>\$ 104.00</b>
<b>BURSICH ASSOC DIESEL PUMPS</b>	<b>\$ 1,418.50</b>
<b>BURSICH PORTER RD FORCE MAIN</b>	<b>\$ 4,060.25</b>
<b>SHAFER IND REPAIR-SHREDDER</b>	<b>\$ 4,078.00</b>

**REQUISITIONS**

<b># 248 BURSICH ASSOCIATES</b>	<b>\$ 4,569.00</b>
<b># 249 FOX ROTHSCHILD, LLP</b>	<b>\$ 7,480.45</b>

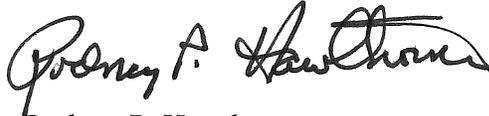
**WET WEATHER SEWER SYSTEM CONVEYANCE CAPACITY**

<b>BURSICH ASSOCIATES(Sanatoga)</b>	<b>\$</b>	<b>680.00</b>
<b>BURSICH ASSOCIATES(Porter Rd)</b>	<b>\$</b>	<b>513.50</b>

**\*\*Porter Rd Emergency 12/26/09 Expenses**  
**Paid to Vendors To Date:** **\$ 112,486.63**

There being no further business, the meeting adjourned. The next meeting is Monday, May 10, 2010.

Respectfully submitted,



Rodney P. Hawthorne  
Manager