

**LOWER POTTS GROVE TOWNSHIP AUTHORITY July 11, 2011**

The Lower Pottsgrove Township Authority held their regularly scheduled meeting on Monday, July 11, 2011 meeting was called to order at 7:00 P.M. The following attended:

James Toth, Vice Chairman	Rodney Hawthorne, Manager
David Richards, Treasurer	Stephen Kalis, Solicitor
Mark Loshnowsky, Secretary	William Dingman, Engineer
Joseph McGeehan	Gordon Walker

**APPROVAL OF AUTHORITY MINUTES:** Mr. Joseph McGeehan motioned to approve the minutes of May 9, 2011 and Mr. Mark Loshnowsky seconded the motion. All Approved.

**OLD BUSINESS:**

1. **Developers' Discussion & Update (CAP)**---Mr. Dingman handed out the CAP report #50, and there was not much to report, the force main work is on time and we should complete and meet the DEP deadline of December 31, 2011. There was nothing new to report on the consent order & agreement.
2. **Force Main Report**--- Mr. Dingman reported that we are waiting for the control valve which we should receive by mid August. The Borough should be able to accept flows by the end of August 2011

**Porter Road Pump Station-Electrical Design**

The Board's decision on the electrical design was to authorize the approval of the \$1,750.00 conditioned upon the contractor (Tangibl) putting in writing that they will include the \$4,750.00 which includes, as built wiring diagram for the pump control panel. Mr. Dingman will take back to Tangibl for their consideration.

**Change order Electrical/Instrumental Equipment**

The original price for this change was \$115,000. Mr. Dingman through negotiation got it down to \$101,800.00 with the Authority picking up the additional cost of a recorder for \$1,800 which would equal a total of \$103,600. Mr. Loshnowsky motioned to approve the change order and Mr. Richards seconded the motion. All approved

3. **Agreement - Private Sanitary Sewer System (Home Depot)**---Mr. Dingman explained that this agreement is a similar one that we used with DEP before in a related situation with the Sanatoga Ridge LD plan. The Board was acceptable with the attorneys in moving forward with completing the agreement. No decision on this issue is required tonight and will be revisited at a future meeting.
4. **Incentives - Connections to Public Water**---Mr. Hawthorne had included in the packets a memo for the Borough solicitor David Garner concerning the Borough's incentive program to hook up with public water supplied by the Borough. The incentive program would save property owners/developers approximately \$379.00 as the Borough has eliminated several fees which were required for hook up. Mr. Hawthorne explained this was run by the Board of Commissioners at a prior meeting and all agreed. They thought it was a good idea and had no problem with the Borough starting the program in Lower Pottsgrove Township. Mr. Hawthorne

asked the Authority Board if they were okay with the Borough starting the incentive program in Lower Pottsgrove Township and the consensus was for the Borough to move ahead with the program. Mr. Hawthorne explained that in the future the Borough Authority will come before our Authority and give a more formal presentation on their program before they start.

5. **H2-0 Grant Engagement**— Mr. Hawthorne explained he had signed the H2-0 engagement letter and grant agreement earlier last month to get them in the queue for payment of the grant of \$455,300 back to the Authority. It normally takes approximately six weeks to get the contracts signed and returned to LPTA. Mr. Hawthorne asked the Board to ratify his signature on the engagement letter and grant agreement. Mr. Loshnowsky made a motion to approve Mr. Hawthorne's request and Mr. Richards seconded the motion. All Approved.
  
6. **McCullough Consulting Group LLC Professional Service**—Mr. Hawthorne presented an invoice from the McCullough Group which is the consulting agency who wrote our H2-0 grant for the force main improvements. The Board of Commissioners approved the McCullough group in June 12, 2009 and the Township Authority approved an agreement with the BOC in July 13, 2009 of which the Authority agreed to pay for the consulting services. Mr. Loshnowsky made a motion to approve the payment of for the consulting services and Mr. Richards seconded the motion. Mr. McGeehan voted no. Approved by 3-1 vote.

## **NEW BUSINESS:**

### **Emmaus/DelVal Loan-Synopsis of G. Walker Meeting with LPTA**

1. In the early 2011, the LPA Bonds refunded some, but not all, of the Emmaus variable rate loan. This was done to keep the 2011 Bonds "bank qualified," ie, not to exceed \$10 million. The amount of Emmaus not refunded and still outstanding is \$1,915,000.
2. We have learned that if the remaining \$1,915M Emmaus Note is refunded with a new DelVal Note (Delaware Valley Regional Finance Authority), it will not affect the "bank qualified" status of the earlier Bonds since a DelVal loan is deemed to be taxable.
3. Since Emmaus is currently in variable mode, I am suggesting the new DelVal loan be variable, thereby saving over 1% per year on the outstanding balance. As I mentioned, since DelVal's annual adm. cost is over 1% per year less, this is real savings. The current rate on DelVal is 0.77%.
4. Unlike Emmaus, at the DelVal loan can always be converted to a fixed rate, at no cost.
5. In addition to the above two advantages, the refunding of Emmaus makes available for the Authority \$191,500, which is the 10% reserve fund that was required in 2005.
6. It was mentioned that securing a credit rating is not necessary as LPTA already has an S &P "AA".
7. It was also stated that if the Authority wishes to proceed, Mr. Walker should be directed to file an Application with DelVal, with a time schedule to follow.
8. Summary of advantages:
  - a. Lower variable rate by over 1.00%
  - b. Can be converted to fixed easily and at no cost
  - c. \$191,500, is freed up

Mr. McGeehan motioned to approve retiring Emmaus Loan and replace with DelVal Loan and Mr. Richards seconded the motion. All Approved.

**June 13, 2011**  
**FINANCIAL REPORT**

**I. TREASURERS REPORT:**

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

<b>SEWER REVENUE ACCOUNT</b>	<b>\$2,226,966.61</b>
<b>CAPITAL IMPROVEMENT RESERVE</b>	<b>\$ 436,997.18</b>
<b>DEBT SERVICE RES EMMAUS LOAN</b>	<b>\$ 157,500.00</b>
<b>DEVELOPERS CIP ACCOUNT</b>	<b>\$ 147,306.26</b>
<b>DEVELOP TREATMENT CAPACITY</b>	<b>\$ 35,811.24</b>
<b>WELLS FARGO 2011 BOND ISSUE</b>	<b>\$1,668,983.16</b>

**II. BILLS FOR PAYMENT**

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

**CAPITAL BILLS**

**SEWER CAPITAL RESERVE PLGIT**

<b>BURSICH ASSOCIATES</b>	<b>\$ 1,663.83</b>
<b>PA DEPT OF TRANSPORTATION</b>	<b>\$ 702.04</b>

**WELLS FARGO 2011 BOND ISSUE REQUISITIONS**

<b>2011-06 BURSICH ASSOCIATES INC</b>	<b>\$ 24,846.31</b>
<b>2011-07 TANGIBL LLC</b>	<b>\$ 10,948.00</b>
<b>2011-08 BULLDOG CONTRUCTION CO INC</b>	<b>\$ 19,000.00</b>

**OPERATING ACCT REQUISITIONS**

<b>00-277 FOX ROTHSCHILD, LLP</b>	<b>\$ 749.08</b>
<b>00-276 BURSICH ASSOCIATES</b>	<b>\$ 1,062.00</b>

**July 11, 2011**  
**FINANCIAL REPORT**

**I. TREASURERS REPORT:**

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

<b>SEWER REVENUE ACCOUNT</b>	<b>\$2,118,364.56</b>
<b>CAPITAL IMPROVEMENT RESERVE</b>	<b>\$ 443,345.21</b>
<b>DEBT SERVICE RES EMMAUS LOAN</b>	<b>\$ 160,847.33</b>
<b>DEVELOPERS CIP ACCOUNT</b>	<b>\$ 147,309.73</b>
<b>DEVELOP TREATMENT CAPACITY</b>	<b>\$ 35,812.08</b>
<b>WELLS FARGO 2011 BOND ISSUE</b>	<b>\$1,660,995.85</b>

**II. BILLS FOR PAYMENT**

Mr. S. Kalis presented the following bills for payment, Mr. Loshnowsky motioned approval for payment and Mr. Richards seconded the motion. Mr. McGeehan abstained. Approved 3-1

<b>MCCULLOUGH GROUP</b>	<b>\$ 81,959.94</b>
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**CAPITAL BILLS**

**SEWER CAPITAL RESERVE PLGIT**

<b>BURSICH ASSOCIATES</b>	<b>\$ 2,011.12</b>
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**WELLS FARGO 2011 BOND ISSUE REQUISITIONS**

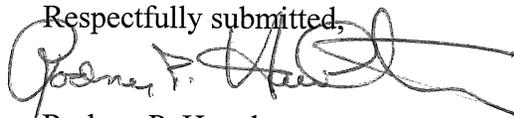
<b>2011-09 BURSICH ASSOCIATES INC</b>	<b>\$ 3,896.81</b>
<b>2011-10 TANGIBL LLC VOID</b>	<b>\$ 4,090.50</b>

**OPERATING ACCT REQUISITIONS**

<b>00-279 FOX ROTHSCHILD, LLP</b>	<b>\$ 2,978.00</b>
<b>00-278 BURSICH ASSOCIATES</b>	<b>\$ 2,014.25</b>

There being no further business, the meeting adjourned. The next meeting is Monday, August 8, 2011.

Respectfully submitted,



Rodney P. Hawthorne  
Manager