

LOWER POTTS GROVE TOWNSHIP AUTHORITY August 12, 2013

The Lower Pottsgrove Township Authority held their regularly scheduled meeting on Monday, August 12, 2013 meeting was called to order at 7:00 P.M. The following attended:

James Toth, Chairman
Joseph McGeehan
Mark Loshnowsky
David Richards

Rodney Hawthorne, Manager
Chad Camburn, Engineer
Stephen Kalis, Solicitor

APPROVAL OF AUTHORITY MINUTES: Mr. Loshnowsky motioned to approve the minutes of July 8, 2013 and Mr. McGeehan seconded the motion. All Approved.

OLD BUSINESS:

Developers' Discussion & Update (CAP) and (CMP)---Mr. Camburn handed out the CAP/CMP report 73 dated 8/12/2013 and reviewed the color map and priority area to work on I & I. Mr. Camburn noted the High School property behind the Planet Fitness has a crushed sewer main but because it has low flows it is not a problem at this time. In July we televised 2,810 LF of sewer, cleaned 671 LF of sewer, tested 879 joints, sealed 203 joints with 1,571 gallons of grout and sealed seven manholes using 415 gallons of grout. The majority of this work was completed in the N. Adams Street, Lynn Drive and Gabriel and Centennial Court areas. Mr. Camburn continued his report by addressing his memo dated July 8th concerning sewer repairs between manhole # 1608 and 1610A on Keim Street. Bursich analyzed multiple methods of removing I & I to determine the most cost effective long term solution. They recommended installing manhole to manhole cured in place liners which will provide the best value and longevity for that part of the sewer system. The cost projected for this type of remediation is \$110,000. The Board agreed to have Mr. Hawthorne and Mr. Camburn proceed on finding the money within the budget or new revenue to do this repair. They will report back on their findings.

Mr. Camburn addressed pump repair, the parts that are needed are manufactured by one company for the type of pump to be repaired. The questions before the Board was that since it was one of kind do we need to bid the item which will cost \$22,000 plus. After much discussion between the Board, Staff and Solicitor we will look deeper into it. Mr. Kalis suggested that without additional information it will probably need to be bid.

A motion was made by Mr. Loshnowsky to proceed if needed with the bid process and seconded by Mr. Richards. All approved. All staff will report back at the next meeting if we are to bid or not.

Discussion on Borough Authority Issues---Mr. Hawthorne reviewed with Authority Board several Borough and current agenda items 1) ongoing metering issue at 3 locations in LPT. Mr. Hawthorne reviewed with the Authority a letter from Mr. Mark Flanders concerning wastewater measurements (metering). We have had ongoing negotiations with the Borough on this, each meter is estimated to be \$5000.00. Both parties agreed that we would install the meter on Industrial Highway and LPTA would not have to install meters at the 422 Sports Plex and Home Depot thereby saving the ratepayers \$10,000. This was outlined in Mark Flanders' letter dated July 16, 2013.

Concerning the Dialysis Center on E. High Street at the former Rite Aid Drug Store, authority staff and representatives of the owners/developers met with DEP. The number of Edu's required for use is 26 in addition to the 3 already there for a total of 29 Edu's. DEP said they would review the planning module in record times of which they did. A check for the 26 Edu's is also required. The center is now under construction and Mr. Hawthorne is waiting for the Edu check of which they are in the process of receiving.

NEW BUSINESS:

LTL Consultants, Ltd. Capital Improvement--Mr. Hawthorne reviewed the LTL Consultants alternative proposal discussed at the Authority Managers meeting at West Pottsgrove Township. The alternative is look at other way of treating sewage instead constructing a new clarifier 2.5 million. Duc Shin is the engineer that proposed this and is getting

additional alternatives for all the municipalities to review. Mr. Shin will have his alternatives by our next meeting at LPT on September 5th. We will then review with our engineers and report back to the Authority.

Third Part Evaluation—Mr. Camburn and Mr. Hawthorne reviewed with the Authority the 3rd party evaluation process of which they met and discussed with Pottstown Borough, West Pottsgrove, Upper Pottsgrove on 8/8/13 at West Pottsgrove. The purpose of that part of the meeting was to discuss the process for selecting a 3rd party consultant and ultimately receiving and reviewing RFQ's, RFP's all will have to be reviewed by our perspective Manager's and Engineers. Mr. Tom Weld of the Borough will write the RFQ's & RFP's for everyone's review prior to sending them out to the 7 or 8 selected consultants. Mr Hawthorne and Mr. Camburn will keep the Authority updated.

Sunnybrook Ballroom I & I—Mr. Hawthorne has had several conversations with Wil Hallman of the Sunnybrook Ballroom concerning the 3 televised laterals at the Sunnybrook site. All laterals leak and need to be sealed or removed. Mr. Camburn had sent a letter with 3 options to correct the leaky laterals. Mr. Hallman wanted the least expensive which may require him to come back in 5 to 10 years to reseal and correct. Mr. McGeehan suggested that since Sunnybrook is a nonprofit that the Authority absorb the cost of correcting the 3 leaky laterals. Since the ballroom is more of a community project supported in different ways by the BOC Mr. McGeehan thought it would be a good idea to show our support in this way.

Mr. McGeehan motioned to correct the (3) leaky laterals in accordance with the Bursich letter dated June 14, 2013 using option #2 at the cost of \$5000 each with found monies and funds that are available and Mr. Loshnowsky seconded the vote. All approved.

Sewer Connection 2483 E. High Street—Mr. Hawthorne reviewed the letter from Mr. Mike Murray of O'Donnell, Weiss & Mattei, P.C. requesting a joint lateral connection for one of Mr. Tom Troutman's rental units at 2483 E. High Street. This address is being requested to hook up to the property at 2481 E. High Street, both homes being connected to the same 4 inch lateral. Part of the conditions for approval of the hook ups would be that Mr. Troutman pay the required EDU hook up fee, establish a sewer easement from both properties to High St., sign an agreement of responsibility and submit a planning module to DEP and the Township for approval. All conditions will be addressed in the agreement that the Authority solicitor will provide. Motion to approve the hook up subject to Mr. Troutman signing and complying with the agreement conditions was made by Mr. McGeehan and seconded by Mr. Richards. All approved.

Bank of New York Mellon 2000 Escrow Account—On October 23, 2000, the Authority closed on a Delaware Valley Regional Finance Authority bond issue. Proceeds of the issue were used to currently refund the Authority's outstanding Series of 1995 Current Interest bonds. Available funds of the Authority and the Township were used to decrease the outstanding series of 1995 Capital Appreciations Bonds (CAB'S) due on November 1, 2013 to and including November 1, 2016. Since the CAB's are not callable prior to maturity, The Trustee purchased open market U.S. Government zero coupon Bonds due on August 15, 2013 (in the amount of \$3,148,000) and November 15, 2013 (in the amount of \$1,592,000). In accordance with the Escrow Agreement, the Trustee was instructed to reinvest the \$3,148,000 in a zero percent State and Local Government Securities issued by the U.S. Treasury Department. The zero percent reinvestment rate is important so that certain arbitrage limits are not exceeded. The specified due dates and amounts in the Escrow Agreement are as follows:

| Date | Amount |
|-----------|-------------|
| 11/1/2013 | \$1,185,000 |
| 11/1/2014 | \$1,185,000 |
| 11/1/2015 | 778,000 |

However, the U.S. Treasury Department suspended sales of State and Local Government Securities ("SLGS") on May 17, 2013 until further notice. The suspension was necessary by reason of the statutory debt ceiling of the U. S. Government.

Since SLGS are not an option, the Financial Advisor in consultation with the Trustee, are recommending the purchase of \$3,148,000 of open market U. S. Treasury Bills due on October 31, 2013. Four documents required by Trustee were

presented to the Board by the Financial Advisor which will authorize the Trustee to purchase the U.S. Treasury Bills on or before August 15, 2013.

If the State and Local Governments can be purchased on November 1, 2013, the Trustee will make the purchases as required by the Escrow Agreement. If the SLG's are still suspended, it is expected a reinvestment at that time will be in a Treasury Bill with a maturity of less than 90 days. The FA will report back to the Board and make a recommendation in late October.

August 12, 2013
FINANCIAL REPORT

I. TREASURERS REPORT:

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

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|------------------------------------|-----------------------|
| SEWER REVENUE ACCOUNT | \$2,592,653.31 |
| CAPITAL IMPROVEMENT RESERVE | \$ 954,626.72 |
| WELLS FARGO 2011 BOND ISSUE | \$ 444,953.12 |

II. BILLS FOR PAYMENT

Mr. Richards motioned to approve payment of the bills and Mr. Loshnowsky seconded the motion. All approved.

CAPITAL BILLS

SEWER CAPITAL RESERVE PLGIT

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|---|---------------------|
| BURSICH ASSOCIATES-I&I Study | \$ 11,424.48 |
|---|---------------------|

WELLS FARGO 2011 BOND ISSUE REQUISITIONS

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|--|---------------------|
| 2011-49 BOROUGH OF POTTSTOWN | \$ 74,143.00 |
| <i>Sewer Capital Utility Water Project</i> | |

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| 2011-50 SEWER SPECIALTY SERVICES CO | \$ 10,989.90 |
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OPERATING ACCT REQUISITIONS

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|-----------------------------------|--------------------|
| 00-328 BURSICH ASSOCIATES | \$ 2,679.63 |
| 00-329 FOX ROTHSCHILD, LLP | \$ 1,492.77 |

There being no further business, the meeting adjourned. The next meeting is Monday September 9, 2013.

Respectfully submitted,



Rodney P. Hawthorne
Manager