

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

BOARD MEETING MINUTES

November 12, 2013

The semi-monthly meeting of the Chalfont-New Britain Township Joint Sewage Authority was held on Tuesday, November 12, 2013, in the Authority's meeting room.

Present: Joseph Bonner, Chairman; William Rissinger, Vice Chairman; Gustave Haun, Treasurer; William Evans, Secretary; Donald Cameron, Assistant Secretary. Also present were Thomas Hauser, Superintendent; Joseph Bagley, Solicitor; John Schmidt, Executive Director; and Joseph Nolan, Engineer. Timothy Hagey, Assistant Treasurer was absent. Ernest "Bucky" Closser, Note Counsel, and Jamie Schlesinger, PFM, were also in attendance.

The Chairman called the meeting to order at 4:00 p.m.

ADOPTION OF MINUTES

MOTION: It was **MOVED** by Mr. Cameron and **SECONDED** by Mr. Evans to approve the meeting minutes of October 8 and 22, 2013 as distributed to the Board and as previously corrected at the October 22 meeting. The motion was unanimously adopted.

PUBLIC COMMENT

Mr. Schlesinger explained that the Officers of the Authority signed the 2013 Loan documents with Univest immediately prior to today's public meeting on the new loan with Univest for up to \$10 million which will settle on Thursday, November 14, 2013. The loan provides for a 2.59% rate for 10 years with an adjustment after that time period based on the market rate in accordance with the *Wall Street Journal* with a cap. The term of the new loan lasts until 2026. If all amounts under the loan are borrowed, the loan payment per year will be slightly less than the existing loan payments for the 2 loans being discharged this week. The Chairman thanked Mr. Closser and Mr. Schlesinger on behalf of the Board for their assistance.

REPORTS OF OFFICERS

There were no reports from Officers.

COMMITTEE REPORTS

There were no Committee reports delivered.

EXECUTIVE DIRECTOR'S REPORT – John E. Schmidt

CKS provided a new fee schedule for 2014 with a slight increase in the rates for engineer rates amounting to approximately 2.5%.

Mr. Schmidt reminded the Board that the PMAA meeting in King of Prussia is Thursday evening.

Mr. Schmidt reported that correspondence had been sent out to the Mallard Drive homeowners with regard to conveying the former Pump Station No. 1 property.

Mr. Schmidt reported that former Board member Bob Smith of New Britain Township passed away. Mr. Smith served as a Board member from 1981 to 1989. A copy of Mr. Smith's obituary will be attached to the minutes.

Mr. Schmidt noted for the Board that the PECO electric bill was the lowest monthly electric bill received by the Authority in the last 10 years (\$18,400.00).

Mr. Schmidt reported that Leslie Truscott has returned to work on a part-time basis.

ENGINEER'S REPORT – Joseph Nolan, P. E.

Mr. Nolan reviewed the progress of the construction projects at the plant. The Phase II construction is described as being in the home stretch. Most of the remaining work to be done shall be done by the Electrical Contractor. The motor control center needs to be installed. The Electrical Contractor has presented a schedule for the installation of the motor control centers. The Electrical Contractor is projecting that it will complete the project on time.

The General Contractor is still in the process of installing the metal roof on the digester building. In response to a question, Mr. Nolan described the roof consisting of 3/4 inch plywood, sheathing paper and galvanized steel. Mr. Nolan reported that there was a lot of specialized cutting of flashing in the vicinity of the two circular digesters which abut the roof.

Phase III is in the design phase. Mr. Nolan was putting together a drawing for Phase III to present to the Board.

Mr. Nolan presented Requisition No. 131 for Capital Expenditures (Fund 2) in the amount of \$9,412.37 and he recommended approval. The expenditures were related to a pump installation at the main pump station.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Rissinger to approve Requisition No. 131 for Capital Expenditures in the amount of \$9,412.37. The Motion was unanimously adopted.

Mr. Nolan next presented Requisition No. 174 for Capital Improvements (Fund 3) in the amount of \$257,772.87. Requisition No. 174 is for payments to the General Contractor and Electrical Contractor for Phase II, expenses related to the new 2013 consolidated loan and design work in Phase III by CKS. Mr. Nolan recommended approval.

MOTION: It was **MOVED** by Mr. Cameron and **SECONDED** by Mr. Haun to approve Requisition No. 174 for Capital Improvements in the amount of \$257,772.87. The Motion was unanimously adopted.

Mr. Nolan reported that the payment to the General Contractor was the 13th payment in the project and amounted to \$3.54 million of the \$3.7 million contract total.

The payment to the Electrical Contractor was the 7th payment and resulted in payment to the Electrical Contractor so far of approximately \$947,000.00 of the total \$1.65 million contract or about 2/3.

Mr. Nolan discussed his annual report, a preliminary copy of which was sent to the Board last month. A final version of the report has been distributed to the Board today. Mr. Nolan reviewed the annual report with the Board in detail. The presentation included projects being completed,

an overview of operations of the Authority, the efficiency of the plant, the evaluation of the costs of sewage treatment, plant operations, operating costs and the ratio of expenses between BCWSA and the Authority. Mr. Nolan noted that the report included the annual reconciliation of adjusted operating payments resulting in a balance due to the Authority of \$8,368.92 which will be invoiced to BCWSA.

A question was asked about whether Rich Heverly was progressing towards his operator's license. Mr. Schmidt detailed Mr. Heverly's enrollment in an extensive operator training course over the next few months.

A question was asked about the expenditures and revenues for the year so far versus the preliminary budget for the first 6 months. Mr. Schmidt stated that he would be providing 6-month-numbers at the December meeting, but he did not see anything extraordinary yet.

SOLICITOR'S REPORT – Joseph Bagley, Esquire

Mr. Bagley had nothing to report.

TREASURER'S REPORT – Gustave Haun, Treasurer

Mr. Haun presented the General Operating Expenses of \$191,653.07, along with the previously-approved Capital Expenditures and Capital Improvements for total expenditures of \$458,838.31. He recommended approval to pay the bills.

MOTION: It was **MOVED** by Mr. Rissinger and **SECONDED** by Mr. Evans to approve payment of the total expenditures for the month of \$458,838.31. The Motion was unanimously adopted.

OTHER BUSINESS

There was a discussion about combining the new consolidated loan debt with the Engineer's estimate for Phase III and incorporating both in the calculation of a new tapping fee by the Engineer. A consensus was reached that Mr. Schmidt would recirculate the Engineer's estimate for Phase III and the Solicitor would review with the Engineer the legal requirements necessary with regard to projected expenses for Phase III prior to updating the tapping fee. Mr. Nolan will make a presentation regarding Phase III at the next Board meeting.

MOTION: It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Cameron to adjourn the meeting. The Motion was unanimously adopted.

The meeting was adjourned at approximately 4:37 p.m.

Respectfully submitted,

Joseph Bagley, Solicitor

William T. Evans, Secretary