

# CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

## BOARD MEETING MINUTES

**October 22, 2013**

The semi-monthly meeting of the Chalfont-New Britain Township Joint Sewage Authority was held on Tuesday, October 22, 2013, in the Authority's meeting room.

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

The Chairman called the meeting to order at 7:30 p.m.

### **COMMITTEE REPORTS**

Mr. Cameron reported that a reference in the draft October 8 minutes mistakenly referred to him instead of Mr. Haun. The draft minutes will be revised.

Mr. Haun stated that the Finance Committee had a recommendation on refinancing proposals after meeting with Jamie Schlesinger. Mr. Haun asked Mr. Schlesinger for his report. Mr. Schlesinger reported that he had solicited proposals from a number of financial institutions. He distributed a document to the Board entitled "Results of Bank RFP & Financing Discussion" prepared by the PFM Group. Mr. Schlesinger explained parameters given to the banks highlighting a \$10 million issue and flexibility on the draw-down period of the loan. Mr. Schlesinger discussed a summary on page 2 of the document summarizing the rates of 15 proposals from 5 different financial institutions, one with a fixed rate, and 14 with a combination of fixed and variable rates. Mr. Schlesinger recommended Uninvest Bank & Trust Company's proposal based upon the term of the fixed rate, the low value of the variable rate and a factor referred to as the all-in borrowing rate based on a 10-year historic average. The proposal would provide the right to re-amortize the loan and would allow prepayment without a penalty.

Following discussion of the Finance Committee, Mr. Schlesinger approached Uninvest which agreed to drop its "make-whole" provision from the 2011 Loan which would have lasted until August 2014 otherwise. Therefore, agreement to refinancing will settle the QNB Loan as well as the 2011 Uninvest Loan.

Mr. Schlesinger reviewed the estimated savings through refinancing amounting to approximately \$1 million over 14 years.

A question was asked as to the chances of prepaying the loan prior to the adjustment of the rate in 10 years. Mr. Haun answered that he thought the chances were "thin" that that would occur. Mr. Haun commented that he believed the interest rate adjustment was secondary to the length of time of the fixed rate for interest (10 years).

In response to questions, Mr. Closser explained that the adjustable rate adjusted only once, in 2023. A question was also asked about prepayment, which can be made towards principal and interest as instructed by the Authority at the time of making the prepayment.

Mr. Closser explained that a resolution has been prepared accepting the proposal and authorizing the preparation and execution of documents to complete the refinancing with Univest. Mr. Closser also stated that a loan agreement, a note, an IRS form and general certificates would be prepared which will have to be executed.

**MOTION:** It was **MOVED** by Mr. Haun and **SECONDED** by Mr. Rissinger to approve Resolution No. 2013-2 authorizing refinancing based on the proposal of Univest Bank & Trust Company at a 2.59% fixed rate for 10 years and a subsequent variable reset rate of 67% of prime plus 61 basis points, and to execute the Form of Proposal offered by Univest. The Motion was unanimously adopted. It is anticipated that settlement on the refinancing will occur on November 12, 2013.

### **SUPERINTENDENT’S REPORT – Thomas Hauser**

Mr. Hauser reported that treatment plant operations for the month of September were considered normal.

Precipitation: 1.9 inches  
Average daily flow: 2.94 MGD  
Peak day flow: 4.86 MG

Process performance was good, phosphorous was below the Authority’s average and nitrates were well within limits. The UV System is performing well because fecal coliforms were well within limits.

Authority personnel coordinated plant operations with construction contractors resulting in the UV Weir Replacement Project and aerator shut downs. The UV Weir Replacement Project took place at the expense of the manufacturer. Contractor C&T performed the actual weir replacement for which the manufacturer paid.

The aerator shutdown was performed for Thomas Controls. The Authority had issues with the circular clarifier and ended up installing a new circular clarifier skimmer arm. Personnel also core-drilled the opening of the front equalization basin pump pit to facilitate draining and flushing. This was a project undertaken by the Authority after the Phase II Project was already underway.

In the collection system, the Authority flushed lines at the New Britain Shopping Center down to County Line Avenue to avoid the buildup of grease problems. Personnel also repaired lateral leaks on Brittany Drive. In regards to the waterline project, a 12 foot section of our sewer main was replaced. A discussion ensued regarding location of manholes that were buried and which had to be unearthed.

There was a general discussion regarding replacement of the stainless steel weirs with new stainless steel weirs on the UV system. The weirs were replaced because the manufacturer undersized the weir length originally. Approximately 50% of the weir length was added.

## **EXECUTIVE DIRECTOR'S REPORT – John E. Schmidt**

Mr. Schmidt asked the Board to approve the Auditor's report which had been distributed and discussed at the Authority's last meeting.

**MOTION:** It was **MOVED** by Mr. Evans and **SECONDED** by Mr. Haun to approve the Auditor's report presented by Mr. Ramey at the last Board meeting. The Motion was unanimously adopted.

Mr. Schmidt reported on the status of the parcel formerly occupied by Pump Station No. 1. Mr. Schmidt extensively discussed the attempts to eliminate costs in connection with deeding the parcel to 2 adjoining property owners. There was a general discussion regarding cost attribution to homeowners. A consensus of the Board was reached to ask each of the property owners for \$2,000 and for the Authority to absorb costs in excess of \$4,000 in conveying the parcels to the adjoining property owners.

Mr. Schmidt reviewed the letter sent to Mr. Chris Schiele after the last Board meeting.

Mr. Schmidt reminded the Board of the PMAA dinner scheduled for November 14.

Mr. Schmidt inquired whether the Board was interested in continuing to hold the holiday party in January and at the same location. A consensus of the Board was reached to hold the holiday party at the same location.

Mr. Nolan's annual report of the consulting engineer will be discussed at the next meeting of the Board.

## **SOLICITOR'S REPORT – Joseph M. Bagley, Esquire**

Mr. Bagley had nothing to report.

## **OTHER BUSINESS**

**MOTION:** It was **MOVED** by Mr. Evans and **SECONDED** by Mr. Haun to authorize the rescheduling of future Board meetings to 4:00 p.m. beginning in November. The Motion was unanimously adopted.

A question was asked about whether a sign was still being pursued for the entrance to the Authority. It was reported that the proposal for a sign is still being looked into.

A question was raised about lighting at the front entrance of the Authority. Mr. Schmidt explained that the existing light is a PECO light.

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

The meeting was adjourned at approximately 8:21 p.m.

Respectfully submitted,

Joseph M. Bagley, Solicitor

William T. Evans, Secretary