

March 25th, 2013
Special Meeting to replace Regular Monthly Meeting

Central Mainline Sewer Authority
P O Box 35 93 Jones Street
Lilly, PA 15938
March 25th, 2013 6PM
Special Meeting replacing March 18th, 2013

Roll Call of the Board:

Chairman William Claar, Jr., Vice-Chairman Raymond Guzic Jr., Dennis Beck, Solicitor William Barbin, EAD's Engineer Dan Beyer, Plant Operator Francis Hartline and Recording Secretary Pamela Flis.

Rita Butterbaugh and Edward Myers were unable to attend.

Public Participation:

Also in attendance: Leslie Devett, Justin Eger, Jeremy Shuniak (7PM) and Charles Spaid representing LBSA.

As Discussed:

- Charles Spaid two questions for the CMSA Board
 1. Does CMSA foresee any major expenses for 2013?
 2. Quarterly expense report from CMSA on the monthly allocation, based on operations and maintenance of the wastewater treatment plant.
- CMSA has not planned major expenses for the wastewater treatment plant, general maintenance is all that is planned, aeration diffusers may require preventative maintenance, and CMSA cannot predict any emergency situations that may affect the yearly allocation. Gears on sludge belt press repaired and working property, Excelsior Blowers, Penelec, DRV, Incorporated, Camco, and Bridgeway Cummings have all preformed maintenance. Penelec was called to correct some electrical issues with the main power connections, to divert the electrical shortages that have plagued the wastewater treatment plant in the past.
- Quarterly expense report was given to Mr. Spaid, expenses from January to March 15th, 2013, along with a statement of allocation payments paid and what is due. An expense report will be given on a quarterly basis.
- Entering a municipal agreement with Portage Township for the use of the camera, for use in the CMSA main sewer line.

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Conference call with Jason Brockman representing The PFM Group, concerning refinancing of the existing 2006 USDA-RUS loans.

As Discussed with Jason Brockman, Senior Managing Consultant, representing Lynch and Lynch:

- Current interest is below the existing 4.50% currently paid to RUS.
- Establishing a minimum savings threshold for the Parameters Resolution 1-2013, and to lock in interest rates.
- Estimated saving for CMSA approximately \$120,000.00.
- Sample timeline including Initial Presentation, Authorization to Proceed, Parameters Resolution, Bond Sale and Settlement Date.
- Cost to CMSA for refinancing including Bond Insurance, Surety Insurance, Cost of Issuance, and Miscellaneous Expenses.

Questions/Comments session:

- Solicitor Barbin stated “that if the minimum threshold savings is not met by PFM, and if this all fizzles out, the Authority is not going to be responsible for anyone’s cost, except Standard and Poor’s rating fees.” Jason Brockman agreed with the statement.
- Solicitor Barbin questioned as to how much Standard and Poor’s rating fee to be? “The Standard and Poor’s rating fee is somewhere between \$6,000.00 and \$9,000.00 dollars, PFM will not approach Standard and Poor’s until the PFM Group is comfortable with the minimum savings threshold,” replied Jason.
- “The only problem that we could possible run into is, from the time we go the rating agencies, to the time we lock in interest rates, there is about a two to three week time gap, the only risk the Authority has is we go to Standard’s and Poor’s and we are at or above the established minimum savings threshold and two or three weeks later the stock market has a sudden drastic change in interest rates, and PFM is not able to achieve the minimum savings threshold, that is the only risk to the Authority.” per Jason.
- Solicitor question: “And if that happen, before CMSA took the loss, the board would have the opportunity to reconsiders it minimum savings, also.” “Absolutely.” replied Jason.
- Even though CMSA sets the minimum savings threshold, CMSA could drop it lower if it looks like the alternative CMSA may lose 6K to 9K to Standard’s and Poor’s, so the loss to the rating agency, PFM could always salvage that cost, by lowering the minimum savings threshold, 6K to 9K is sufficient amount to the Authority.
- Lowering of the minimum savings threshold, taken as a last resort, Plan B to protect the Authority.

Motion made by Dennis Beck 2nd Raymond Guzic, Jr., to approve Resolution 1-2013

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with a minimum savings threshold of \$100,000.00 (one hundred thousand dollars) for the refinancing of the 2006 RUS loans. Roll Call, All in Favor, Motion Passed.

Conference call with Jason Brockman of Lynch and Lynch ended.

As Discussed:

- The savings by refinancing should be calculated in the first bond payment, through surety bond insurance. Savings will be applied to any capital improvements to the CSMA Wastewater system.

Secretarial Report:

Motion made by Dennis Beck , 2nd Raymond Guzic, Jr., to accept the Regular monthly minutes dated February 18th , 2013, as submitted in written form. Roll call, all in favor, Motion passed.

Motion made by Raymond Guzic, Jr. 2nd Dennis Beck to accept the Treasurers Report, Unpaid Bills Detail and Additional Bills as submitted in written form. Roll call, all in favor, Motion passed.

Motion made by Raymond Guzic, Jr. 2nd Dennis Beck to ratify the actions of advertising for the Special Meeting held March 25th, 2013 to replace the Regular Advertised Monthly meeting cancelled March 18th, 2013 due to the weather. Roll call, all in favor, Motion passed.

Motion made by Dennis Beck 2nd Raymond Guzic, Jr., to ratify the actions of bill pay for Verizon, DRV Incorporated, Grainger, Penelec and petty cash, for due date before next scheduled meeting. Roll call, all in favor, Motion passed.

Correspondence:

As Discussed:

- Stern/Sage Properties, Inc.- 118 Peach Lane-Delinquent balances due- Mark Stern, legal property owner, has signed up for a payment plan to divert a lien, due to balances over \$300.00, HUD foreclosure.

Correspondence is on file at the CMSA office.

Engineers Report:

As Discussed:

- Relocation of the Hach Flo-Dar Meter to High Street, to measure flows, for approximately 6 to 8 months.

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- PennWorks application for economic development, grant funding available.
- Original contract between EAD's Group and CMSA given to Dan Beyer, Signature required by EAD's and returned to CMSA.

Copy of the Engineers Report is on file at the CMSA Office.

Solicitor Report:

As Discussed:

- Nothing new from John Shuniak
- Mandatory Tap-Ins- Court Ordered
- 1610 Dulancey Drive-Contacted S.E.O- 2008 Debra Settlemyer visited the site, CMSA needs to verify this property is tapped into the sanitary sewer. Sanitary sewer main right-of-way is located on his property, plant manager to perform a visual inspection. CMSA has no verification of tap-in.
- Sewer may be discharging into Benscreek creek.
- Certified letter sent to 141 Cherry Lane, for real-estate re-pressure testing.

Public Participation:

As Discussed:

- Jeremy Shuniak questioned the Authority regarding his sanitary sewer connection to the sewer main for new house construction, and the \$1,500.00 tap-in fee, his fee for capacity in the system.
- Plant manager to help Jeremy measure the level of the manhole to help with the planned elevation of his residential construction.
- The size of pipe required to make a sanitary sewer connection.
- 911 address for newly created parcel.

Plant Operators Report:

As Discussed:

- Ordered and received relays and switch to loop converter, for the pump station replaced and working property, works in back up mode.
- Excelsior Blower Company, completed the vibration test on the bearings for blower units, no further action required.
- Bridgeway Cumming preformed yearly maintenance on the generator, all is well. Batteries are recommended to be changed every four years, current batteries are eight years old; load test performed on batteries, amperage is good. Generator started once weekly, two 24 volt batteries approximately \$230.00 each. Plant manager feels confident in changing the batteries himself. 24V batteries are available readily through several retailers centrally located. Plant manager to replace batteries when he feels that it is absolutely a necessary, and is authorized

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- to purchase replacements at a local retailer.
- Manhole with excess amount of water over the top, check for dish pan, plant manager to check manhole cover for water infiltration, located along Portage Street.
- The municipal agreement between Portage Township and CMSA for the use of the PT camera unit.

Motion made by Dennis Beck 2nd Raymond Guzic, Jr. to approve the 2012 Chapter 94 report as prepared and submitted by the CMSA Plant Manager and Office Secretary, for submission to the D.E.P. Roll call, all in favor, Motion passed.

Old Business:

As Discussed:

- James Long- Level Road- two EDU's on for trailer and one for house, property owner to be billed for two EDU's.
- Trailer has not been disconnected from the sanitary sewer system, water under pressure. Violation of CMSA Rules and Regulations.
- Letter of correspondence to Mr. Long including CMSA Rules and Regulations, being billing for two EDU's, beginning April 2013.
- Sewer Use Ordinance-Tabled
- Certified Letter to 141 Cherry Road-Covered under Solicitors Report.

New Business:

As Discussed:

- 231 Wood Street, Lily, PA- this residence receives two separate water bills, contains two separate kitchens, two separate entrances, creating two separate households, and should be two separate EDU's.

Motion made by Dennis Beck 2nd Raymond Guzic, Jr. to begin charging 213 Wood Street for two separate EDU's beginning in April 2013. Roll call, all in favor, Motion passed.

Adjournment:

Motion made by Raymond Guzic, Jr. 2nd Dennis Beck to adjourn the March 25th, 2013, special meeting at 7:24PM. Roll call, all in favor, Motion passed.

For the Record: A copy of the March meeting packet with February 18th, 2013 meeting minutes was given to the CMSA Chairman at the March meeting.