

EAWA BOARD MEETING MINUTES
May 8, 2017 - 6:30 PM

1. CALL TO ORDER:

The EAWA Board meeting was held in the Meeting Room at 211 W. Hummelstown St. and was called to order at 6:30 P.M. by Dr. C. Dale Treese. Members present: R. Sheidy, J. McCloud, K. Murphy, & R. Erb. Absent: C. Brewer. Also present were George Alspach, Solicitor; Del Becker, Authority Manager; and Michele Powl, Business Manager. Members of public: none present. Other attendees: Paul Lundeen and Daryl Peck.

2. PLEDGE OF ALLEGIANCE TO THE FLAG:

3. PUBLIC COMMENT: None.

4. APPROVAL OF PREVIOUS MINUTES:

Action: "That the Board approves the WS Meeting Minutes of 4/5/17 and Board Minutes of 4/10/17, as presented."

Motion: K. Murphy **Second:** J. McCloud **Approved**

5. REPORTS:

a. Manager's Report:

Series of 2008 and 2012 Bonds - Becker introduced Paul Lundeen and Daryl Peck, two representatives from Concord Financial. Treese stated that, even though the Board voted to call the 2008 bonds, Mr. Lundeen incorporated both the 2008 and the 2012 bonds in the same proposal. Peck stated that, back in November-December 2016, Chris Gibbons approached the Board about a potential refinancing opportunity for the 2012 bonds. EAWA did not meet the savings threshold established by the Board at that time. Recently, there has been banks' loan interest rates have moved lower. Gibbons sent an RFP to twenty-five banks and received proposals from four banks. Peck stated that Fulton provided the best proposal.

Alspach asked if there would be any prepayment issues. Peck stated that the loan would be pre-payable anytime without penalty. Becker stated that if EAWA happened to sell the Quarry, they could apply the funds immediately to the debt. Sheidy asked the length of the loan. Peck stated that the loan is for fifteen years, exactly matching the 2012 bonds. Treese stated that, originally, the bond was for twenty years. The loan is a ten- year fixed rate of 2.7%. After that, the rate would fluctuate, but would not go over the 4.25% cap with a resulting all-in rate of 2.865%.

Peck provided the executive summary. The proposal includes refinancing the 2012 bonds and reduces the debt service. The anticipated present worth savings

are \$154,409 and note from Fulton will be for \$9,156,730. Peck stated that EAWA can always go back to Fulton to negotiate a lower rate in the future should rates move lower. Treese stated that this gives flexibility to future boards.

Lundeen introduced the Resolution 2017-2 to refinance the 2008 and 2012 bonds. He stated that Gibbons and Peck will call PNC Bank to pay off the 2008 bonds by 06/22/17. He also indicated that when EAWA took over WDT, it inherited a loan with Vist Bank. EAWA has an intercreditor agreement between both banks that it will pay off both loans. The plan will be to redeem the 2008 bond to PNC Bank at the earliest practicable date after the notice given. Concord will give a 30 day notice to redeem the 2012 bond. That date is 06/22/17. This resolution will pay off all costs and expenses, and will authorize the EAWA officers to do so.

Action: “That the Board adopts Resolution 2017-2, to accomplish the redemption and retirement of the 2008 Bond and the 2012 Bonds, and to carry out the terms and provisions of the Fulton Bank Proposal and the Loan Agreement;”

Motion: K. Murphy **Second:** R. Sheidy **Approved**

Paving Bid for 299 W. High Street - Becker stated that he will solicit bids electronically through the Penn Bid System. He will give them until the end of the paving season. Those should be available at the 06/12/17 meeting.

b. **Operations Manager’s Report:** None.

c. **Engineer’s Report:** None.

d. **Financial Reports:**

- i. Paid Bills Detail (*Operating Fund*) (4/24/17) distributed with package (\$39,048.60 for balance);
- ii. Paid Bills Detail (*Capital Fund*) (4/24/17) distributed with package (\$61,766.33 for balance);
- iii. Statement of *Operating* Revenues & Expenditures for period of APR YTD, distributed with package. Income: \$2,134,408.58 (inc. fund balance), Expenditures: \$672,946.04 (inc. debt principal & int.);
- iv. Statement of *Capital* Revenues & Expenditures for period of APR YTD, distributed with package. Income: \$3,980,030.94 (inc. fund balance), Expenditures: \$180,379.45;

Action: “That the Board accepts the APR Statement of Operations Revenues & Expenditures (Actual vs. Budget).”

Motion: J. McCloud **Second:** K. Murphy **Approved**

6. UNFINISHED BUSINESS:

Rain Garden Planting Event - The rain garden has been postponed until 05/13/17.

GHD Proposal of Engineering - Becker stated that the cost for surveying / engineering for the project on Spruce and Locust Streets will be \$48,000. This project does not conflict with the Borough's paving schedule.

Action: "That the Board approves the GHD Proposal for Spruce Street Water Main Replacement engineering services in the amount of \$48,000.00."

Motion: K. Murphy **Second:** J. McCloud **Approved**

7. **NEW BUSINESS:** McCloud asked if the E-town High School cross-country team could use the lane around the reservoir to run. Alspach stated that the insurance company may have issues, and to check first. He also suggested that McCloud speak with Abel if the team would be on his property at all. Becker stated that he will check with the insurance company.

8. BILLS PAYABLE: Refer to Unpaid Report;

Action: "That the Board pays bills listed on the statement of Unpaid *Operating* Fund Bills Detail totaling \$28,019.20 (5/8/17) and Unpaid *Capital* Fund Bills Detail totaling \$21,000.00 (5/8/17)."

Motion: K. Murphy **Second:** R. Sheidy **Approved**

9. BOARD MEMBER'S REMARKS: None.

10. EXECUTIVE SESSION: None.

11. ADJOURN: 7:23 PM

Action: "That the Board adjourns the regular meeting."

Motion: J. McCloud **Second:** R. Sheidy **Approved**

Respectfully submitted,

D. Becker, Authority Manager

Approved at 6/12/17 Meeting