

MONT ALTO MUNICIPAL AUTHORITY

MINUTES SPECIAL MEETING DECEMBER 29, 2009

9:30 A.M.

CALL TO ORDER - Chairman David Monn called the Special meeting of December 29, 2009 of the Mont Alto Municipal Authority to order at 9:31 a.m.

ROLL CALL - David Monn, Sidney Miller, Tommy Gilbert, Staat Stymiest and Gary Eigenbrode present.

MONT ALTO MUNICIPAL AUTHORITY STAFF - Timothy Misner Solicitor, Scott Longstreth Nassaux-Hemsley, Inc., Jerry L. Bakner Sewer Plant Operator, Patti Strite Treasurer, Larson Wenger Maintenance Supervisor and Patricia A. Kocek Recording Secretary

INVOCATION - P. Kocek

PLEDGE OF ALLEGIANCE

VISITORS - Dennis Monn

T. Sharrah/Water Plant Operator - Chairperson D. Monn recognized Dennis Monn. Dennis Monn explained that Council has discussed T. Sharrah's position in receiving his partial water license.

Borough Council is recommending that T. Sharrah receive a \$500.00 cash award for achieving this status and review his position when he becomes fully licensed.

Brief discussion. Will consider this item later in the meeting.

SEWER

Approve final plans for Sewer Plant Upgrade - T. Gilbert recommends approval of the final plans.

A lengthy discussion followed about the way the final plans should be approved and who would have a say in any changes to the final plans. T. Misner told the Authority that they have the authority (power) to make changes if needed.

Chairman D. Monn plans to continue with the Committee throughout construction.

T. Gilbert made a motion to approve the final plans for the Sewer Plant Upgrade, S. Stymiest seconded, any further discussion or questions, hearing none, Chairman D. Monn called for a Roll Call vote,

G. Eigenbrode	Abstain	S. Stymiest	Yes
T. Gilbert	Yes	S. Miller	Yes
D. Monn	Yes		

Motion carried.

Construction Inspection - Short discussion on how the day to day inspection of the Project will be handled. These inspections concern the contractor doing the Project as dictated by the Contract. Code officials will do their own inspections to be sure the buildings are being built to code.

This issue will be considered and decided upon at a later date.

Commitment Letter Orrstown Bank

The members of the Authority reviewed the commitment letter from Orrstown Bank. T. Misner pointed out the various highlights of the terms of the Agreement. Orrstown agreed to most of the terms that the Authority requested.

T. Misner pointed out Paragraph 11. The fees are higher than the Authority requested. The fees in Paragraph 8 and 11 will have to be paid by the Authority.

The Loan Agreement will have to be settled by February 24, 2010.

The first draw from the Loan will be to pay off Susquehanna and the Line of Credit from F & M. There will also be fees to be paid for Bond Counsel.

T. Misner wants to wait and approve the commitment letter at the regular meeting on January 11, 2010. Orrstown Bank needs to receive the commitment letter by January 22, 2010.

At this time T. Misner does not know what the fees are going to be for Bond Counsel so that is one reason why he wants to wait.

Proposed Sewer Rate increases - T. Misner explained that Orrstown Bank wants confirmation of the anticipated sewer rate increases.

The Authority members reviewed the anticipated sewer rate increases as prepared by G. Walker and T. Misner. After discussion the following was decided upon.

The Authority hereby agrees to increase sewer rates and charges to customers to cover increases in costs (debt service and O & M) for the upcoming Sewage Treatment Plant Project. The following increases will be based on the Authority's Consulting Engineer's recommendations:

SECTION 1: The first rate increase is anticipated to occur on or about three (3) months after

construction commences.

SECTION 2: The second rate increase is anticipated to occur on or about (6) six months after the first rate increase.

SECTION 3: The third rate increase to amortize the debt and operating costs of the Plant will occur upon completion of construction.

T. Misner pointed out that Orrstown Bank is requiring this document and this document proves that the Authority is looking ahead to satisfy Item 4 in the commitment letter.

G. Eigenbrode made a motion to approve the anticipated rate increases as noted above, S. Miller seconded, any further discussion or questions, hearing none is there any objection to the motion as it was made and seconded, hearing none the motion carries.

S. Longstreth told the members of the Authority that on December 28, 2009 the Quincy Township Planning Commission approved the Land Development Plan for the Sewer Treatment Plant Upgrade. S. Longstreth will be going to the Quincy Township Supervisors at their first meeting in January.

Advertise Bids - S. Longstreth was instructed to advertise the Contract on January 4, 2010. Bids will be opened at the February 8, 2010 meeting of the Mont Alto Municipal Authority.

WATER

Water/Furnace Road - T. Misner prepared a letter to Quincy Township regarding a water supply for Furnace Road. The members of the Authority reviewed this letter so changes can be made before the letter is mailed to Quincy Township.

2. "The cost of the water to be supplied would be the same price paid by the other bulk purchasers which currently is \$7.15 per thousand gallons."

The members of the Authority discussed the amount of money that should be held in an escrow account during negotiations to provide a water agreement with Quincy Township.

3. The members decided that \$20,000.00 is a fair figure to be held in escrow. The sentence will now say "An escrow account in the **initial** amount of **\$20,000.00** would need to funded..."

T. Misner told the members that he may have to have legal assistance from someone that has expertise in water issues during the negotiation of a Water Agreement with Quincy Township.

4. "Quincy would need to pay tap on fees at or before the time of connection to the Authority's system based upon the EDU's purchased."

A discussion was held concerning charging Quincy Township for tap on fees and whether or not the Authority can charge tap on fees since we don't charge the water haulers tap on fees. Water haulers are not permanent customers but Quincy would be a permanent customer.

The members then discussed various issues related to providing water to Quincy Township.

S. Stymiest made a motion to approve the response letter to Quincy Township with the changes discussed, G. Eigenbrode seconded, any further questions or discussion, hearing none is there any objection to the motion as it was made and seconded, hearing none the motion carries.

T. Sharrah/Water Plant License - Dennis Monn earlier in the meeting told the Authority members that Council recommends giving T. Sharrah a \$500.00 cash award for achieving this partial status in receiving his Operator's license.

A lengthy discussion ensued on the pros and cons of awarding T. Sharrah a \$500.00 cash award.

G. Eigenbrode asked what prompted the bonus. Dennis Monn said that the members of the Mont Alto Municipal Authority requested that something be done for this individual.

After a continued discussion, no decision was made by the Mont Alto Municipal Authority. T. Misner said that since the Authority did not make a decision that is the information that Dennis Monn will have to take back to Council. It is up to Borough Council then to make the decision.

SEWER (continued)

Letter of Engagement Pepper Hamilton LLP Bond Counsel - T. Misner told the Authority members that this was just received at his office and faxed to Mont Alto. Copies were passed out for the members of the Authority to review.

The fees are \$15,000.00 and \$2000.00 for Bond Counsel. Bond Counsel will issue an opinion to Orrstown Bank and they will do all of the paperwork for the Loan and issuing the final opinion that this is tax exempt.

T. Misner will talk to Gordon Walker and then to Pepper Hamilton LLP to see if this is the best they can do on the fees.

This is for informational purposes only this evening and a final decision will be made on January 11, 2009.

Adjournment – T. Gilbert made a motion to adjourn the Special Meeting of December 29, 2009 of the Mont Alto Municipal Authority at 10:45 a.m., S. Stymiest seconded, so ordered.

Respectfully submitted,

Submitted to Mont Alto
Municipal Authority for their
approval on January 11, 2010.

Patricia A. Kocek
Mont Alto Municipal Authority
Recording Secretary