

MINUTES OF THE MEETING
OF THE MIDDLETOWN TOWNSHIP, DELAWARE COUNTY SEWER AUTHORITY
HELD ON JULY 19, 2021

The regular monthly meeting of the Middletown Township Sewer Authority was held on Monday, July 19, 2021, at 7:00pm at the Township Administration Building located at 27 N. Pennell Road.

Present were Authority Members: Roland Bailey, John Hanna, Edward Klodarska, Robert Scholz, and Timothy Sullivan.

Authority Advisors James Flandreau, Esquire, Solicitor, Walter Fazler, Engineer, John Ibach, Manager, and Francis Niermann, I&I Coordinator, were also present.

• **PLEDGE OF ALLEGIANCE TO THE FLAG**

Chairman Sullivan called the meeting of the Sewer Authority to order at 7:00pm and led the recitation of the Pledge of Allegiance to the Flag.

The Board had an executive session prior to the Board meeting to discuss various matters. Another executive session took place during the Solicitor's report on DELCORA/Delaware County lawsuit.

• **APPROVAL OF MINUTES OF THE MEETING HELD ON JUNE 21, 2021**

Mr. Scholz made a motion to approve the June 21, 2021, minutes. Mr. Hanna seconded the motion. The motion was carried with a vote of 5-0.

A. Manager's Report

1. 2016 Bond Issue Refinance

Mr. Schlesinger joined the meeting to finalize discussions about the 2016 bond refinance. Due to recent downward market fluctuations, he stated it's a very favorable time for the Authority to refinance due to lower interest rates. He is in receipt of the Township's guaranty and the AA credit rating (based on the Township guaranty as well as the Authority's credit worthiness). He is in contact with PNC to receive updated interest rates and to inform PNC of the Board's decision. The Authority is borrowing a lesser amount due to the current 2016 bond issue having a scheduled payment due at the beginning of August well before the August 24th refinance settlement date. He stated the couponing structure after the call dates will be very helpful in saving the Authority a substantial amount of money in principal and interest. The amount borrowed will be around \$8,600,000 and the amount of bonds to be paid is \$8,400,000 plus other associated costs. The yield will be approximately about 1.58%. This is a preliminary calculation and will be revised again before going to market on 07/20/2021. Mr. Schlesinger will email a copy of the revised calculations to Mr. Ibach to pass on to the Board. Mr. Schlessinger is asking the Board to approve a resolution to authorize him and the finance team to refinance the 2016 Bond Issue. Mr. Hanna motioned to approve the resolution. Mr. Scholz seconded the motion. The motion was carried with a vote of 5-0.

Mr. Ibach stated that he received the GASB-68 report from PMRS for 2019 and has forwarded it to the auditors to finalize MTSA's 2019 audit which will include the Bond issue refinance.

2. DELCORA True-up

Messrs. Ibach, Hanna and Scholz met with DELCORA to review the true-up calculations. Mr.

Ibach reported that DELCORA is facing a 1.2 billion dollars in capital improvements while waiting for the AQUA sale to go through. This translates into a 12-15% increase in treatment costs which will be passed on to the different municipalities. Mr. Ibach stated this will have to be considered when reviewing MTSA's residential and commercial rates for 2022. Mr. Scholz added that unfortunately DELCORA is not able to go out for bonds and is forced to pass these charges on to its customers. The Board will be discussing this in more detail to determine a reasonable rate increase that will cover the upcoming rate increase from DELCORA to be presented to Council for their approval at their upcoming November meeting. Mr. Fazler recommended that Mr. Ibach reach out to Mr. McMullan, Township Manager, to place this information on the Township's website to let residents know of the upcoming increase.

B. Treasurer's Report

1. Payment of Operating Expenses

Mr. Hanna presented a list of paid invoices for the period of June 21, 2021, through July 16, 2021, totaling of \$1,043,681.77. The largest invoice is to The Bank of New York (\$938,680.18) for the bi-annual bond payment mentioned in Mr. Schlesinger's report which is due August 10th. Mr. Hanna made a motion to approve these paid invoices. Mr. Bailey seconded the motion. The Board approved with a vote of 5 - 0 with one abstention by Mr. Hanna solely for the payment of the WRE invoice (\$29,025.47).

2. Payment of Capital Expenses – Bond Redemption and Improvement Fund

Mr. Hanna reported Capital Expenses totaling \$142,518.27 for July 19, 2021. The largest invoice is to WRE (\$82,561.14). Mr. Hanna motioned to approve these expenses. Mr. Klodarska seconded the motion. The Board approved with a vote of 5-0 with one abstention by Mr. Hanna solely for the payment of the WRE invoice.

3. Miscellaneous

Mr. Hanna brought the first two expenses listed on the Profit & Loss Report to the Board's attention as equaling the value of the Bond payment to be made in August that was just approved in this meeting.

C. Solicitor's Report

1. DELCORA/Del. County Lawsuit

This was discussed in executive session.

2. Darlington Pointe 1 Deed of Dedication

Mr. Flandreau stated he is in receipt of the signed deed of dedication and is awaiting the legal description from G.D. Houtman & Sons, LLC. Mr. Flandreau is recommending the acceptance of this deed subject to receiving the necessary documentation for recordation purposes and payment of all outstanding legal and engineering fees. Mr. Scholz motioned to approve this dedication. Mr. Klodarska seconded the motion. The Board approved with a vote of 5-0.

3. Arbor's Deed of Dedication

Mr. Flandreau stated he is working with the developer's attorney and Mr. Fazler on finalizing the Deed of Dedication. He hopes to receive all of the necessary documents in order to accept the dedication in the next few weeks.

4. MTSA 2016 Re-Finance Resolution

See above under Manager's Report.

5. PA-1-Call Indemnification

Mr. Flandreau informed the Board he reviewed insurance documents provided to him by Mr. Fazler's carrier. He believes Mr. Fazler is adequately covered. He further stated he will be drafting a hold harmless agreement for Mr. Fazler relieving him of any potential liability from marking out MTSA PA-1-Calls. Mr. Flandreau hopes to have the Indemnification Agreement drafted by next month.

6. 670 W. Rose Tree Road Sewer Agreement

Mr. Flandreau stated he received a draft copy of an Operation and Maintenance Agreement for the common sanitary sewer lateral that will service 660 and 670 Rose Tree Road. Mr. Flandreau reviewed the Agreement and found it acceptable in its current state. Mr. Klodarska motioned to approve the Agreement. Mr. Scholz seconded the motion. The motion was carried with a vote of 5-0. Mr. Flandreau will provide Mr. Ibach with the signed copy of the Agreement to distribute to the property owners for execution. Once Mr. Flandreau receives the signed copy of the Agreement, he will arrange to have it recorded at the Delaware County courthouse.

D. Engineer's Report

1. Darlington Valley Pump Station (DVPS)

Mr. Fazler stated the contractors are still working on construction of the pump station. He advised the group the contractor is behind schedule due to delivery delays of electrical components. The contractor informed Mr. Fazler the electrical manufacturers are behind due to Covid. Mr. Fazler is hopeful construction is still on schedule to be complete by the end of August.

2. DELCORA I & I Program

Mr. Fazler stated the DELCORA contractor is approximately 90% complete with the televising and he is continuing to review video of the system. The contractor will work be working on the repairs in the next few weeks. Mr. Fazler will report back to the Board at the August meeting.

3. Overview of Planning for Dutton Mill Interceptor

Mr. Fazler informed the Board he is waiting to hear back from the DELCORA contractor on whether they will be able to televise the interceptor as part of the DELCORA project. He stated he informed PADEP he hopes to have a revised set of plans for their review in the next few months.

4. Chrome Run Interceptor Relocation/Replacement

Mr. Fazler reported he is working on access to the Chrome Run Interceptor for televising. Once suitable locations are found he prepare plans and send out bids for televising the interceptor.

5. Baltimore Pike Collector Connections

Mr. Fazler reported he and Mr. Ibach walked the Pennell Place property to determine a suitable location to relocate the Fair Acres pump station force main. Mr. Fazler proceed to inform the group of the proposed location where he would locate the force main. Mr. Sullivan inquired on whether the force main could be located on the property of the Media Camping Center property. Mr. Fazler will take this consideration under advisement and investigate the possibility of re-

locating the force main in this area. Mr. Fazler and Mr. Ibach will also be reaching out to Wawa and Granite Farms estates on relocating their existing force mains into the Baltimore Pike Collector and will report back to the Board.

6. Confined Space Entry Abandonment

Mr. Fazler reported he is working on preparation of the bid documents and planned on putting the project out to bid in the upcoming months.

7. LPSS for Convery Project

Mr. Fazler informed the Board he is working on the design of the low-pressure sewer system that will service the Convery project located on Middletown Road. Once the design is finalized, Mr. Fazler will be submitted the design and permit application to PADEP for issuance.

QUESTIONS FROM THE AUDIENCE

None.

ADJOURNMENT

Upon motion by Mr. Sullivan and seconded by Mr. Hanna, the meeting was adjourned at 9:01 pm.

Respectfully Submitted,

John Ibach, Manager
Cc: Authority Board and Advisors
Township Manager
S.W.D.C.M.A.
DELCORA

The minutes were recorded by Mr. Ibach and transcribed by Ms. Tierney/Mr. Ibach.

Approved: _____

John Ibach

Date: _____

8/16/21