

**MINUTES OF THE ANNVILLE
TOWNSHIP AUTHORITY
February 23, 2016**

The February Regular Monthly Meeting of the Annville Township Authority was held starting at 5:30 PM on February 23, 2016 in the Commissioners' Room of Annville Town Hall, 36 North Lancaster Street, Annville, PA with the following members present: Hugh Rooney, Chairperson; Barry Ludwig, Vice Chairperson; David Myers, Secretary; Keith Seward, Treasurer; and Anthony Perrotto, Assistant Secretary/Assistant Treasurer. Also in attendance were Nicholas T. Yingst, Township Administrator and Authority Clerk; Timothy D. Sheffey and Corey Lamoureux, Office of the Township Solicitor; Leslie J. Powell, Superintendent of the Wastewater Treatment Plant (WWTP); Michael Mehaffey and Dale Shope, Engineers with Gannett Fleming; and Patrick J. Kerwin, Lebanon Valley Exposition Center and Fairgrounds.

Chairperson Rooney called the meeting to order and led those present in the Pledge of Allegiance to the flag of the United States of America.

PUBLIC COMMENT: Chairperson Rooney provided an opportunity for public comment and no public comments were noted from those in attendance. He also noted that, as the bond counsel who was representing the entity requesting the Authority act as a conduit for tax-free financing was not yet in attendance, the tax-free financing item on the agenda would be deferred until his arrival.

MINUTES: MOTION by Mr. Perrotto, second by Mr. Ludwig to approve the minutes of the Regular Meeting held January 26, 2016 as presented. Motion carried unanimously.

SEWER FUND REPORT: The Authority reviewed the Sewer Fund Report for the period ending January 31, 2016.

ACCOUNTS PAYABLE: The Accounts Payable list for February 2016 was reviewed. **MOTION** by Mr. Ludwig, second by Mr. Seward that the list of vendors to be paid (Cash Disbursements Journal) for the Sewer Fund, which list is filed with other Authority records, be approved by the Authority for submission to the Board of Commissioners for payment. Motion carried unanimously.

David Twaddell of Rhoads and Sinon LLP arrived at the Regular Meeting at 5:31 PM.

OPPORTUNITY TO ACT AS A CONDUIT FOR TAX-FREE FINANCING: Noting that the bond counsel had arrived, Chairperson Rooney asked him to share his comments with the Authority. Mr. Twaddell introduced himself to the Authority and explained that his firm was acting as bond counsel for financing that was being sought by the Lebanon Valley Exposition Center and Fairgrounds (Expo). He explained that the financing, which totaled \$1,331,000, represented both a refinancing of existing debt and new financing for improvements at the Expo. He also detailed why the Expo qualified as a not-for-profit organization due to its educational focus and why it was able to seek tax-free financing through a public entity, as well as noting why the West Cornwall Township Authority—which the Expo had previously used as a conduit for tax-free financing—was not able to do so for this specific financing as a result of other obligations that authority had at present. Mr. Twaddell then presented and explained a draft resolution for the Authority's consideration if it should wish to act as a tax-free conduit for the Expo. He noted that in addition to the Authority's approval the approval of both the Annville

Township Board of Commissioners and the West Cornwall Township Board of Supervisors would be needed, as well as a hearing officer appointed for the required public hearing, and he noted that the resolution appointed Mr. Sheffey's firm as the hearing officer. Mr. Sheffey indicated that he had reviewed the resolution, making one recommendation that was then incorporated into the resolution, and noted his satisfaction with its content and his confidence that it made clear the Authority was not liable. He then expressed that he had no reservations about the Authority adopting the resolution. With no further discussion noted regarding the resolution, Mr. Kerwin of the Expo was then asked to share some of the activities taking place at the site. He distributed a pamphlet detailing some of the functions held at the Expo throughout the year and briefly described what was planned for the proceeds from the new financing, specifically detailing some of the necessary structural repairs that needed addressed. With no further discussion noted, **MOTION** by Mr. Ludwig, second by Mr. Seward to adopt Resolution 20160223-001 and to authorize the Authority, through the execution of necessary documents by its officers, to act as a conduit for tax-exempt financing for the Lebanon Valley Exposition Center and Fairgrounds in accordance with the adopted resolution and subject to the approval of the Board of Commissioners. Motion carried unanimously and a copy of this resolution is attached hereto and made a part of these minutes.

Mr. Kerwin and Mr. Twaddell left the Regular Meeting at 5:45 PM.

SUPERINTENDENT'S REPORT: Mr. Powell reported that the WWTP is operating very well. He began by reviewing the Monthly Report, favorably comparing the annual Total Nitrogen and Total Phosphorus percentages thus far to its numbers through January of the previous year. Mr. Perrotto noted the continued increased trend in received hauled waste and thanked Mr. Powell for his efforts in bringing this about. Mr. Powell then reviewed the Status of Pending Projects Report, a copy of which is attached hereto and made a part of these minutes, and the following items were discussed in detail:

Surcharges: Mr. Powell reported that he met with a representative of Kindred Place and that he will be sampling it at a new location going forward.

2nd Stage Blowers: Mr. Powell reported that a representative of North East Controls has contacted him expressing its desire to be paid the \$2,184 outstanding balance for the actuator boards that are not working sufficiently. He further reported that while North East has indicated it believes the manufacturer needs to look at these boards if the issue is to be resolved, North East needs the balance to be paid before the manufacturer will get involved. The Authority then discussed this in detail. Mr. Ludwig expressed his concern that if the invoice was paid the Authority would lose its leverage over North East if this problem continues. Mr. Sheffey suggested the Authority could inform North East it would only pay half of the bill and Mr. Ludwig indicated he was thinking the same thing. Mr. Perrotto asked if North East could be bypassed by contacting the manufacturer directly to see if it would work on the boards and Mr. Powell indicated he would be willing to give that a try. Mr. Sheffey noted that this may determine if the representative from North East was bluffing. Chairperson Rooney suggested this might be a good course of action and Mr. Sheffey suggested if the manufacturer would not cooperate the Authority could recommend that authorization for be given half of the outstanding balance to be paid. With no further discussion noted, **MOTION** by Mr. Perrotto, second by Mr.

ANNVILLE TOWNSHIP AUTHORITY

RESOLUTION NO.

20160223-001

WHEREAS, Annville Township Authority (the “Authority”) is a municipality authority organized by the Township of Annville, Lebanon County, Pennsylvania (“Annville Township”), under the Pennsylvania Municipality Authorities Act of 1945, as amended, now the Municipality Authorities Act, 53 Pa.C.S. Chapter 56 (the “Authorities Act”); and

WHEREAS, Lebanon Valley Exposition Corporation (the “Borrower”), is a corporation not-for-profit organized and existing under laws of the Commonwealth and is a Section 501(c)(3) corporation within the meaning of the Internal Revenue Code of 1986, as amended, of the United States of America (the “Code”); and

WHEREAS, The Borrower heretofore acquired and constructed, and the Borrower presently owns and operates, certain agriculture education facilities known as the Lebanon Valley Exposition and Fairgrounds in the Township of North Cornwall, Lebanon County, Pennsylvania (the “Existing Facilities”); and

WHEREAS, The Borrower has requested the Authority to assist it with a project that includes the following: (i) refinancing West Cornwall Township Municipal Authority’s Revenue Note, Series of 2007 (Lebanon Valley Exposition Corporation Project) (the “Refunding Project”), proceeds of which financed or refinanced construction, alterations, and improvements to the Existing Facilities, and (2) financing alterations, additions, and improvements to the Borrower’s Existing Facilities (the “Capital Project”); and

WHEREAS, The costs of the Capital Project and the Refunding Project (collectively, the “Project”) are estimated to be at least \$1,331,000, and the Borrower desires to obtain tax-exempt financing for the Project through the Authority; and

WHEREAS, The financing of the Project by the Authority will constitute the financing and refinancing of “buildings to be devoted wholly or partially for public uses” operated by a “nonprofit corporation,” all within the meaning of the Authorities Act; and

WHEREAS, The Borrower has requested the Authority to make a loan in an amount not to exceed \$1,331,000, with the proceeds of such loan to be used for the Project and, if necessary or desirable, to capitalize interest on a portion of the Note (hereinafter defined) during construction of the Capital Project, and to pay all or a portion of the costs and expenses of financing; and

WHEREAS, Fulton Bank, N.A. (the “Purchaser”) proposes to purchase a note of the Authority in a maximum principal amount not to exceed \$1,331,000, to provide financing for the Project; and

WHEREAS, Under the Authorities Act, the Authority may undertake to finance buildings to be devoted wholly or partially for public uses to be leased or financed with a loan or loans, to a nonprofit corporation serving the public; and

WHEREAS, The Authority is duly qualified under the Code to issue obligations the interest on which is eligible for exclusion from gross income for federal income tax purposes and is willing to provide the necessary financing for the Project in accordance with the Authorities Act; and

WHEREAS, The Authority is willing to provide such financing for the Project by issuance and sale to the Purchaser of the Authority's Note in a maximum principal amount not exceeding \$1,331,000 (the "Note"), upon such terms and conditions as shall be mutually acceptable to the Authority, the Borrower, and the Purchaser; and

WHEREAS, The Borrower and the Purchaser desire that the Note constitutes a "qualified tax-exempt obligation" within the meaning of Section 265 of the Code, and the Authority has not issued, and does not expect to issue, tax-exempt obligations that in the aggregate, will exceed Ten Million Dollars (\$10,000,000) in calendar year 2016 (excluding any obligations issued to refund (other than to advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), and is therefore willing to designate the Note as a "qualified tax-exempt obligation"; and

WHEREAS, Section 147(f) of the Code requires that the Authority secure approval to issue all or any portion of the Note as a tax-exempt obligation from the applicable elected representative of Annville Township, as the Authority's incorporating municipality, and from the applicable elected representative of the political subdivision within which the properties being financed or refinanced extend, within the meaning of Section 147(f) of the Code, as a condition precedent to the issuance of all or any portion of the Note as tax-exempt obligations; and

WHEREAS, Before any such approval may be given, a forum providing a reasonable opportunity for interested individuals to express their views on the Project (the "Public Hearing") must be held following reasonable public notice in accordance with the requirements of the Code; and

WHEREAS, The Authority has determined to appoint its solicitor as the hearing officer to advertise and conduct the Public Hearing regarding the issuance of a tax-exempt obligation for the Project; and

WHEREAS, The Authority desires to take all other necessary action to authorize the financing of the Project through the issuance of the Note.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Authority, as follows:

1. The Authority shall provide financing for the Project by issuing the Note in a maximum principal amount not exceeding \$1,331,000.

2. Subject to approval of the issuance of the Note as tax-exempt obligations by the applicable elected representative of the Annville Township and the Township of North Cornwall, Lebanon County, Pennsylvania, the municipality in which the properties and facilities to be financed as part of the Capital Project are located, as required by the Code, the Authority shall sell, issue, and deliver the Note to the Purchaser upon terms and conditions which are mutually satisfactory to the Authority and the Borrower. The Note shall bear interest at such rate or rates and shall have the interest payment dates, maturity dates, redemption privileges and other terms and provisions as shall be acceptable to the Borrower and shall be permitted by law, including the Authorities Act.

3. The Authority expresses its intent to enter into a loan agreement or other agreements by and among the Purchaser, the Authority, and the Borrower, and to make and enter into such further agreements, security agreements, and assignments of mortgages, instruments and security interests given by the Borrower to the Authority in connection with the Note, all to

provide the source of payment and security for the Note and containing such other terms, conditions, representations, warranties, and financial covenants as shall be mutually agreeable among the parties (collectively, the “Loan Documents”).

4. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are authorized and directed to execute, to attest, and to deliver the Note and the Loan Documents in such form as shall be approved by such officers after consultation with the Solicitor of the Authority, execution and delivery of the Note and the Loan Documents by such officers to constitute conclusive evidence of such approval; *provided, however*, that neither the Note nor any of the Loan Documents or other instruments or documents executed by the officers of the Authority in connection with the Project and its financing shall constitute a general obligation of the Authority, and the principal, interest, and other charges payable with respect to the Note or under the Loan Documents or other instruments or documents executed in connection with the Project and its financing are payable by the Authority solely and exclusively from the revenues received by the Authority from the Borrower, or from any other user of the Project, or from the income, revenues, and property of the Borrower or any guarantor of the Borrower’s obligations. Furthermore, the Note and the Loan Documents shall provide that no member, officer, or employee of the Authority shall be liable for any obligations thereunder, and shall also provide that the Borrower shall indemnify the Authority and its members, officers, and employees for acts, omissions, and liabilities arising from or in any manner in connection with the Project, all as shall be deemed necessary or appropriate by the Solicitor to the Authority.

5. Reilly, Wolfson, Sheffey, Schrum and Lundberg, LLP, as Solicitor for the Authority, is hereby authorized to advertise and conduct the Public Hearing In accordance with the

requirements of the Code and to present a summary of any public comments made to the applicable elected officials of Annville Township and the Township of North Cornwall with a request of their approval and, also, to review the form of the Note, the Loan Documents, and other instruments and documents necessary or appropriate for the financing of the Project, and is hereby requested to render such legal opinions as may be required of the Authority's Solicitor in connection with issuance of the Note and to do such acts and things as may be necessary or appropriate to obtain approval for the issuance of the Note.

6. The Authority acknowledges that Rhoads & Sinon LLP ("Bond Counsel") has been engaged by the Borrower to serve as bond counsel in connection with the issuance of the Note, hereby consents to such firm serving as bond counsel and authorizes such firm to prepare the form of the Note, the Loan Documents, and other instruments and documents necessary or appropriate for the financing of the Project, for review by the Authority's Solicitor and approval of its officers herein authorized to execute and deliver the same on behalf of the Authority, and to do such acts and things as may be necessary or appropriate to obtain approval for issuance of the Note.

7. Proper officers of the Authority are authorized and directed to execute and to deliver such other documents and to do such other things as may be necessary to carry out the Loan Documents, including documents and acts as may be necessary to comply with requirements of Section 103(b)(2) of the Internal Revenue Code of 1986, as amended (relating to arbitrage bonds), and with regulations implementing said Section 103(b)(2), and the intent and purpose of this Resolution; and said officers are hereby authorized to do such other things as may be necessary or appropriate to consummate the transaction herein contemplated.

8. Proper officers of the Authority are authorized and directed to proceed promptly with the undertakings herein contemplated.

9. The Authority determines that it does not reasonably expect to issue tax-exempt obligations that, together with all tax-exempt obligations reasonably expected to be issued by all entities that issue bonds on behalf of the Authority and all "subordinate entities" (within the meaning of Section 265(b)(3)(E) of the Code) of the Authority, in the aggregate, will exceed Ten Million Dollars (\$10,000,000) during the 2016 calendar year (excluding obligations issued to refund (other than to advance refund) any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation) and, accordingly, hereby designates the Note (to the extent they are not "deemed designated" under Section 265(b)(3)(D)(ii) of the Code) as a "qualified tax-exempt obligation," as defined in Section 265(b)(3)(B) of the Code, for the purposes and effect contemplated by Section 265 of the Code.

10. The Authority approves, ratifies, and confirms all action heretofore taken by officers and other persons on behalf of the Authority in connection with the undertakings herein contemplated to the extent not inconsistent herewith.

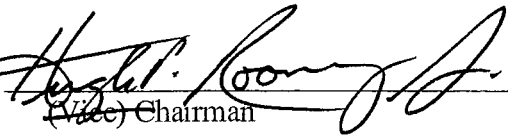
11. All resolutions or parts of resolutions inconsistent herewith expressly are repealed.

12. In the event any provision, section, sentence, clause, or part of this Resolution shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Resolution, it being the intent of the Authority that such remainder shall be and shall remain in full force and effect.

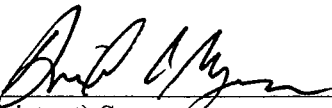
13. This Resolution shall become effective immediately.

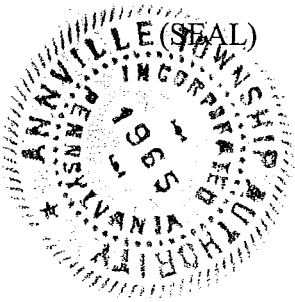
DULY ADOPTED this 23rd day of February, 2016, by the Board of the Authority in lawful session duly assembled.

ANNVILLE TOWNSHIP AUTHORITY

By: 
(Vice) Chairman

ATTEST:


(Assistant) Secretary

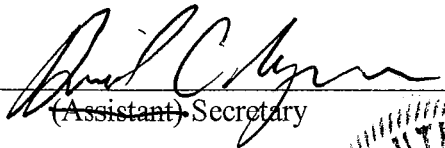


CERTIFICATE

I, the undersigned, (Assistant) Secretary of ANNVILLE TOWNSHIP AUTHORITY (the "Authority"), certify that: the foregoing Resolution was adopted by majority vote of the entire Board of the Authority at a meeting duly convened according to law and held on February 23, 2016, at which meeting a quorum was present; said Resolution was adopted by an aye and nay vote; said Resolution has been recorded in the minutes of said Board; and said Resolution remains in effect, unaltered and unamended, as of the date of this Certificate.

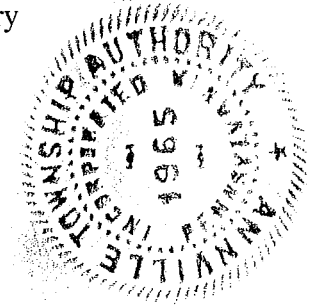
I further certify that the Board of the Authority met the advance notice and public comment requirements of the Sunshine Act, 63 Pa.C.S. §701, *et seq.*, of the Commonwealth of Pennsylvania, by advertising said meeting, by posting prominently a notice of said meeting at the principal office of the Authority or at the public building in which said meeting was held, and by providing a reasonable opportunity for public comment at said meeting prior to the adoption of said Resolution, all in accordance with such Act.

IN WITNESS WHEREOF, I set my hand and affix the official seal of the Authority, this 23RD day of February, 2016.



(Assistant) Secretary

(SEAL)



ANNVILLE TWP. WASTEWATER TREATMENT PLANT

STATUS OF PENDING PROJECTS

February 19, 2016

- (1) **SURCHARGE** There has been no sampling due to cold temps. We will be sampling ACHS and Kindred next week.
- (2) **HAULING** Hauled 364,800 gals. to Pennsy Farm and Heilbronn Farm
- (3) **PLANT** North East Tech would like to get paid the balance of \$2,184 for the actuator boards they put in the 1st stage valves. They have replaced these boards 3 times since we got this bill. We did not want to pay it until the valves are right. The valves still do not work correctly. They want to have the factory take a look at them but they need the bill paid first before the factory will look at them.
- (4) **METHANOL** Geiger was here to repair one of the gears in the pump. The pumps still operate the same. They are too big and will not go low enough so we have them running 8 hrs. with Meth 16 hrs. with water.
- (5) **PENNSY WEST FARM** This was tabled at last meeting. As far as I know the reason this was not brought over from old permit was because we had all of the fields on the S side of 422 and thought we did not need it since it was close to Walmart. I am trying to work with the farmer that is farming the Berger farm in S Annaville. We have this farm permitted but he does not want any biosolids. I am trying to change his mind so this might give us another 120 acres then we would not have to get the Pennsy West Farm permitted.

Respectfully Submitted,
Les Powell Chief Operator

Myers to authorize Mr. Powell to reach out to the manufacturer of the actuator boards to see if it would look at them regarding their ongoing issues and, if the manufacturer will not do so, to recommend to the Board of Commissioners that 50% of the outstanding balance to North East Controls, or \$1,092, be paid. Motion carried unanimously.

Methanol Pumps: Mr. Powell provided an update on the ongoing issues with the methanol pumps that were installed as part of the WWTP improvements project. He reported that a representative of the pump manufacturer, Geiger Pump & Equipment Co., was onsite earlier in the month to repair one of the gears in the pumps, further noting that subsequent to this repair the pumps are still not operating according to specifications. Mr. Sheffey asked him if he was willing to accept the current scenario of the pumps not working properly or if he thought pressure should continue to be put on the manufacturer. Mr. Powell indicated that the previously discussed trial pumps from a different manufacturer had not yet arrived and until these trial pumps could be tested at the WWTP he thought it was too early to say.

Permitting for the Pennsy West Farm: The Authority revisited the proposal received from Materials Matters, Inc. for professional services associated with obtaining a submittal package for the permitting of the Pennsy West Farm for the application of biosolids. Mr. Powell noted that a benefit of this farm's location is its short distance from the WWTP. He also indicated that the amount of available acreage for spreading biosolids at a different field owned by Pennsy currently used by the Authority has been decreasing as Pennsy quarries more of its property, noting that only 25 acres at this current site is available for spreading. Chairperson Rooney asked for the potential acreage at the Pennsy West Farm. Mr. Powell indicated the site was approximately 150 acres, while noting the actual area permissible for spreading would be less due to required setbacks. He also discussed why the Pennsy West Farm, which previously was used for spreading biosolids, did not have its permit renewed several years prior. Chairperson Rooney asked about the cost of the proposal submitted by Material Matters and asked if it was consistent with previous permit submittal packages. Mr. Powell indicated he thought it was. He also briefly discussed potential changes to biosolid application permitting requirements that are being considered by the state. Mr. Perrotto indicated that while he was comfortable moving ahead with this proposal, both due to the present need for additional fields and the fact that adequate funds had been budgeted for this in 2016, he stressed his continued desire to see the Authority consider alternatives for disposal of biosolids in the future, including possibly partnering with other public entities or WWTPs. Mr. Powell shared that he had a discussion with a representative of Material Matters about the establishment of new facilities using alternative methods for disposal of biosolids, although Mr. Shope indicated that further development for the locations mentioned by Mr. Powell seemed to be on hold at present. The members of the Authority seemed to concur that alternative disposal methods should be considered and asked Mr. Powell to continue to investigate these possibilities. With no further discussion noted, **MOTION** by Mr. Perrotto, second by Mr. Ludwig to accept the proposal received from Material Matters, Inc. for the necessary permitting for application of biosolids at the Pennsy West Farm, to authorize its execution by the appropriate members of the Authority, and to recommend to the Board of Commissioners that it authorize the expenditure of \$10,000 for this service. Motion carried unanimously.

Laboratory Accreditation: MOTION by Mr. Ludwig, second by Mr. Seward to recommend to the Board of Commissioners that it authorize payment in the amount of \$1,250 to the Commonwealth of Pennsylvania for a laboratory accreditation license. Motion carried unanimously.

SOLICITOR'S REPORT: Mr. Sheffey discussed the following matters with the Authority:

Policy Regarding Reimbursement of Professional Costs: Mr. Sheffey revisited a discussion from the previous month's Regular Meeting concerning work performed by the Authority engineer specific to the Annville sanitary sewer system that is requested by a third party, typically a developer. As these costs are initially borne by the Authority before they are billed to the third party for reimbursement, Mr. Sheffey suggested the Authority could better protect itself against uncollectable accounts by establishing a policy requiring the third party to provide a signed letter that it will reimburse the Authority in full for such costs before these costs are incurred. The members of the Authority then discussed this briefly and seemed to concur that Mr. Sheffey and Mr. Yingst could work on such a policy for presentation to the Authority for consideration at a future meeting.

Legal Actions Against Significantly Delinquent Customers: Mr. Sheffey provided brief updates on several liens for unpaid sewer and trash fees. Regarding the lien against the former Carranza property at 524 West Queen Street, he reported that both he and Mr. Yingst provided the law firm associated with the sale of this property the information it requested. He further noted that, while he believes this information should be sufficient to result in the payment of the lien's balance, he has not heard back further from the law firm regarding this despite several communications to it. Regarding the lien against the properties on North King Street and West Church Street that are owned by BSW Holdings, Mr. Sheffey reported that BSW Holdings made another payment in February to reduce the outstanding principal balance of the lien for these properties to less than \$4,300. Finally, regarding the lien against the Smith-Loser property at 807 East Walnut Street, Mr. Sheffey reported that it was recently sold at Sheriff's sale and, upon the deed being recorded, he will contact the new owner regarding satisfying the lien.

ENGINEER'S REPORT: Mr. Shope discussed the following matters with the Authority:

Annual Report: Mr. Shope distributed the 2015 annual report for the WWTP to the members of the Authority and briefly discussed its contents with them, expressing his overall opinion that the WWTP was running very well. He also addressed two recommendations in the report, noting that a crack has appeared in the flood wall that should be repaired and noting that four pollutants derived from hauled wastes, which are currently estimated for the purpose of calculating surcharges, instead be specifically monitored. The Authority then briefly discussed the second of these recommendations. Mr. Shope concluded by reviewing a chart that summarized the WWTP's total expenditures for 2013, 2014, and 2015. He noted the decreased total costs for each of these years and credited Mr. Powell and his staff for their efforts in bringing about those cost reductions.

Retirement of Mr. Shope: Mr. Shope reminded the Authority that, due to his upcoming retirement, this would be his final meeting. He expressed his appreciation to the members of the

Authority and its staff over the years, and presented the Authority with a framed aerial photograph of the WWTP. On behalf of the Authority, Mr. Rooney thanked Mr. Shope for the gift and extended appreciation to him for his many years of service and wished him the best in retirement.

CLERK'S REPORT: Mr. Yingst discussed the following matters with the Authority:

Receipt of Final Reimbursement for WWTP Improvements Project: Mr. Yingst reported that payment was received in the amount of \$189,011.14 from Pennvest for the final application pertaining to the WWTP improvements project. He noted that this payment could now be applied to pay off the balance of the bridge loan with Jonestown Bank & Trust, which has a current outstanding balance of slightly less than \$195,000, indicating that the difference between the two amounts was due to costs disallowed for reimbursement by Pennvest. Mr. Perrotto asked from where the balance of the bridge loan not covered by the Pennvest reimbursement would be funded and Mr. Yingst suggested this be paid from the Sewer Fund due to an anticipated decrease in the monthly principal and interest cost paid to Pennvest from this specific fund. **MOTION** by Chairperson Rooney, second by Mr. Perrotto to recommend to the Board of Commissioners that it authorize final payment to Jonestown Bank & Trust to pay off the outstanding balance of the bridge loan per the payoff letter from the proceeds of the final Pennvest reimbursement and the Sewer Fund and that it authorize the appropriate officers of the Board to terminate the bridge loan's line of credit. Motion carried unanimously.

Delinquent Report: Mr. Yingst informed the Authority of the measures taken by the Township Office over the past month to collect on delinquent accounts. He noted that since the January 26, 2016 Authority meeting 31 accounts were posted for shutoff; this was comprised of seven customers who were under a payment contract but had not paid, 16 customers not under a payment contract with the Township, and eight landlord/tenant customers. Mr. Yingst concluded by reporting that over the past four weeks more than \$7,200 had been received from significantly past-due customers, including \$1,500 from BSW Holdings.

2016 Delinquent Customers Policy: Mr. Yingst noted that, due to anticipated warmer temperatures, the Township Office will soon be able to shut off water service for nonpayment of sewer and trash fees. To that end, he requested that the 2015 delinquent policy remain in effect for 2016, noting that this would authorize the Township Office to post delinquent accounts for water shutoff if the customer is \$500 or more in arrears or two or more quarters in arrears. **MOTION** by Mr. Perrotto, second by Mr. Seward to authorize the Township Office to enforce the delinquent account collection policy as described above. Motion carried unanimously.

RECESS FOR EXECUTIVE SESSION: Chairperson Rooney called a recess for an Executive Session to discuss potential litigation at 6:26 PM. The Regular Meeting was reconvened at 6:34 PM with the five Authority members, Mr. Yingst, Mr. Sheffey, Mr. Lamoureux, Mr. Powell, Mr. Mehaffey, and Mr. Shope present.

Sewage Backup Costs: **MOTION** by Mr. Perrotto, second by Mr. Seward to recommend to the Board of Commissioners that it authorize payment to John Shedly for plumbing and cleaning

costs associated with a sewage backup from the sewer main into his residence at 345 West Church Street. Motion carried unanimously.

MOTION by Mr. Ludwig, second by Mr. Myers to approve the reports as presented at this meeting. Motion carried unanimously.

There being no further business to come before the Authority, **MOTION** by Mr. Ludwig, second by Mr. Myers to adjourn the meeting. Motion carried unanimously and the Regular Meeting was adjourned at 6:35 PM.



(Assistant) Secretary