

**OXFORD AREA SEWER AUTHORITY  
SPECIAL BOARD MEETING MINUTES OF  
MARCH 4, 2010**

Chairman, Bob Yeatman called the meeting to order at 7:30 p.m. The following Authority Members were in attendance: Larry Bonam, Robert Cantarera, Frank Lobb, Percy Reynolds and Joe Scheese. Also in attendance were Edward Lennex, Executive Director; Michele Braas, Rettew; JoJo Campbell, John Stevenson, Melanie Hesse.

Pledge of Allegiance was said and a Moment of Silence was observed.

**Public Comment Period:** No one asked to speak at this point.

**A. Action Items:**

- Approval of Professional services agreement relative to the DEP Comprehensive Groundwater Evaluation Report preparation
- Approval of contract for Wastewater Treatment Lagoon influent/effluent sampling
- Legal Services Agreement for Solicitor and Bond Counsel services relative to the USDA loan
- Review of financial information relative to the USDA loan

**B. Appearances:** None

The Chairman then moved on to the Director's items.

**Operations Report**

1. **DEP Comprehensive Groundwater Monitoring & Reporting:** On February 26 and March 1, Mr. Lobb, Mr. Brenner and the Executive Director met with representatives from Bucharth Horn, Inc and Carroll Engineering Corporation to discuss their proposals. Based on our interviews, it is our recommendation that the Board award the contract to Carroll Engineering for preparation of the Comprehensive Groundwater evaluation and to assist with the future operation of our spray fields. The Board approved awarding the contract to Carroll Engineering (J. Scheese, R. Cantarera)
  
2. **Influent/Effluent Sampling:** Mr. Scheese assisted the Executive Director with obtaining quotes from Brandywine Science Center and Q C Labs for providing the collection; testing and reporting of our NPDES required Influent/Effluent parameters. Based upon the initial quote received from Brandywine, the fact that Carroll is recommending we use them for the groundwater collection and testing, and the fact that they are willing to reduce their initial quote if they were to obtain both testing requirements, we would recommend utilizing their services and having all of our sampling requirements performed by one provider. The Board approved the use of Brandywine. (F. Lobb, L. Bonam)

## On-going project status report

- 1. USDA Loan Application:** At the February regular Board meeting, Kathy Gray presented the Board with a "Legal Services Agreement" for Solicitor and Bond Counsel services that is a requirement of the USDA loan process. Have completed a number of Bond Issues with Ms. Gray over the years and after reviewing all of the legal work that will still need to be performed with regards to the loan, the Executive Director felt the \$135,000 presented in the agreement is reasonable and recommended we accept the agreement. The Board approved the Legal Services Agreement with Barley, Snyder. (J. Scheese, P. Reynolds)
- 2. USDA Loan Financial Analysis:** The Board had requested that the Executive Director prepare a financial analysis of the Authority's ability to pay the cost and debt service related to the USDA loan process. This analysis was in response to questions raised by the public at previous Board meetings. The Executive Director present a Power Point presentation which explained why the USDA loan application was necessary, the growth projections determined by the Act 537 Plan process, treatment/storage/disposal capacity infrastructure requirements to meet growth needs, overall cost of infrastructure and the debt service schedule and cost. Growth projections were presented based upon the individual municipalities growth projections, and a subset of that, titled approved development projects. Based upon these two sets of projections it was shown that at a minimum one million gallons of capacity would be needed with possible expansion to one and a half million gallons and the end of the ten year time period. The infrastructure needs were then presented and the total cost of \$32,000,000 was broken down into the individual projects needed. Each individual project cost was then broken down to show what portion of the cost was attributable to the current ratepayers, what portion attributable to new connections and what portion both new and existing shared. The Executive Director ,then explained how the Tapping Fee is calculated and based upon the new calculation that the Tapping Fee would increase from \$2,600 to \$4,160. He then presented what effect the loan and project cost would have on current rates and future rates. He explained how the Authority would need to create two rate districts; the first, District 1 consisting of existing customers connected to the sewer system, undeveloped properties within the Borough and development projects which have capacity already purchased in the system; and the second, District 2, being all other new future connections. He explained that rates for existing customers would have to increase in October 2010 to \$50.00 for the first five thousand gallons and \$10.00 for each 1,000 gallons thereafter; in October 2011 to \$52.50 and \$10.50; and finally in October 2012 to \$55.00 and \$11.00. He explained that for the average ratepayer this would amount to a \$99.00 annual rate increase over the three-year period. For all new connections within District 2, the rate effective October 2010 would be \$60.00 and \$12.00. The remainder of the presentation demonstrated that with these rates and Tapping Fee in place the Authority could cover the increase cost associated with the USDA loan. During the presentation, there was discussion among the Board of the conclusions reached in the presentation and they requested that the Executive Director prepare another scenario which shows what happens to rates if

future expansion was need to reach 1.25 million gallons of capacity and providing for the funding of a capital equipment replacement fund tied to the cost of annual depreciation. The Board expressed their satisfaction with the presentation and wanted to have copies available for the future if questions from the public should arise regarding the Authority's ability to financially support the loan.

**Old Business:** None

**New Business:** Mr. Reynolds asked the Executive Director if the Authority owned the alleyway between our building and Fulton Bank and the Director stated we did. He then asked if he had approached the Borough about including the repair of the alley in the Streetscape project about to get under way and the Director responded that he did but that the Borough was not receptive to including it. There was some discussion among the Board as to what path to pursue and Mr. Reynolds volunteered to speak with the Borough again and report back to the Board.

**Public Comment:** Melanie Hesse requested clarification of some items presented in the presentation and the Board provided her with a copy of the presentation and answered her questions. John Stevenson asked a number of questions regarding the administration cost associated with the construction projects proposed and the Executive Director explained that an estimate was included for those cost in the loan application and all cost associated with that would be capitalized in the loan. JoJo Campbell inquired if the Authority was exploring possible energy sources such as wind and solar to offset increased cost and the Executive Director explained that in the short term the Authority was looking to join a consortium of municipalities and the county to bid all of our electrical needs as one large block and that there were Board members currently working on looking at alternative sources.

The Chairman finding no further business to come before the Board, adjourned the meeting (J. Scheese, F, Lobb)