

## Board Meeting of 05/09/2007

### North Wales Water Authority

The meeting was called to order at 6:04 PM by Mrs Nagel on 05/09/2007 at 200 W Walnut St North Wales PA 19454

Attendee Name	Organization	Title	Status
Joan Nagel	North Wales Water Authority	Chair	Present
Albert Tenney	North Wales Water Authority	Vice Chair	Present
John Lopuszanski	North Wales Water Authority	Treasurer	Present
Lawrence Clever	North Wales Water Authority	Secretary	Present
Herbert Kavash	North Wales Water Authority	Asst Treasurer/Secretary	Absent
George Schwartz	North Wales Water Authority	Executive Director	Present
Raymond J Berry	North Wales Water Authority	Director of Operations	Present
Michael P Clarke	Rudolph, Pizzo & Clarke	Authority Solicitor	Present
Kenneth Heydt	Carroll Engineering Corp	Authority Engineer	Present

Mr Lopuszanski arrived at 6:10 PM

### Public Portion

None were present

### Minutes Approval

» **Tabled until the next meeting**-Motion to Accept the Minutes of 04/26/2007

✓ Vote Record - Minutes Acceptance of 04/26/2007-Tabled until the next meeting					
		Yes/Aye	No/Nay	Abstain	Absent
X <b>Tabled until next meeting</b>	Joan Nagel				
	Albert Tenney				
	John Lopuszanski				
	Lawrence Clever				
	Herbert Kavash				

### Motions

Motion to Approve the Pipeline Easement Agreement between PECO Energy and the Authority concerning the development known as Gateway Commercial E-0910 as presented

✓ Vote Record –Pipeline Easement Approval					
		Yes/Aye	No/Nay	Abstain	Absent
X <b>Accepted</b>	Joan Nagel	☒			
	Albert Tenney	Initiator	☒		
	John Lopuszanski				☒
	Lawrence Clever	Seconder	☒		
	Herbert Kavash				☒

Motion to Approve the Professional Services Agreement for E-0915 as presented for Pennbrook Development Partners

<b>✓ Vote Record –Approval of Professional Services Agreement for E-0915 Pennbrook Development Partners</b>						
			Yes/Aye	No/Nay	Abstain	Absent
X	Accepted	Joan Nagel	<input checked="" type="checkbox"/>			
		Albert Tenney	Initiator	<input checked="" type="checkbox"/>		
		John Lopuszanski				<input checked="" type="checkbox"/>
		Lawrence Clever	Seconder	<input checked="" type="checkbox"/>		
		Herbert Kavash				<input checked="" type="checkbox"/>

Motion to Approve the Line Extension Agreement for E-0921 as presented for JBMB, Inc Matthews Sub Division

<b>✓ Vote Record –Approval of Line Extension Agreement for E-0921 JBMB, Inc</b>						
			Yes/Aye	No/Nay	Abstain	Absent
X	Accepted	Joan Nagel	<input checked="" type="checkbox"/>			
		Albert Tenney	Initiator	<input checked="" type="checkbox"/>		
		John Lopuszanski				<input checked="" type="checkbox"/>
		Lawrence Clever	Seconder	<input checked="" type="checkbox"/>		
		Herbert Kavash				<input checked="" type="checkbox"/>

Motion to Approve the Professional Services Agreement for E-0926 as presented for Simon Property Group Inc

<b>✓ Vote Record –Approval of Professional Services Agreement for E-0926 Simon Property Group Inc</b>						
			Yes/Aye	No/Nay	Abstain	Absent
X	Accepted	Joan Nagel	<input checked="" type="checkbox"/>			
		Albert Tenney	Initiator	<input checked="" type="checkbox"/>		
		John Lopuszanski				<input checked="" type="checkbox"/>
		Lawrence Clever	Seconder	<input checked="" type="checkbox"/>		
		Herbert Kavash				<input checked="" type="checkbox"/>

Motion to Authorize the payment of 2- \$1000 fees to the US Treasury for the Voluntary Correction Process and a Determination Letter on the recommendation by the ERISA Counsel and Mr Clarke

<b>✓ Vote Record –Approval payment of 2- \$1000 fees to the US Treasury</b>						
			Yes/Aye	No/Nay	Abstain	Absent
X	Accepted	Joan Nagel	<input checked="" type="checkbox"/>			
		Albert Tenney	Seconder	<input checked="" type="checkbox"/>		
		John Lopuszanski		<input checked="" type="checkbox"/>		
		Lawrence Clever	Initiator	<input checked="" type="checkbox"/>		
		Herbert Kavash				<input checked="" type="checkbox"/>

MOTION APPROVING A PROJECT UNDERTAKEN BY THE AUTHORITY INVOLVING THE ISSUANCE OF ITS WATER REVENUE BONDS, SERIES OF 2007, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$17,500,000 AND THE APPLICATION OF THE PROCEEDS FROM THE SALE THEREOF TO (A) CURRENTLY REFUND ALL OF THE AUTHORITY’S OUTSTANDING WATER REVENUE BONDS, SERIES OF 1997 AND (B) PAY COSTS AND EXPENSES INCIDENT TO THE ISSUANCE OF THE WATER REVENUE BONDS, SERIES OF 2007; AUTHORIZING THE EXECUTION AND DELIVERY OF A SUPPLEMENTAL TRUST INDENTURE SECURING SAID BONDS TO COMMERCE BANK, N.A., AS SUCCESSOR TRUSTEE; AUTHORIZING THE AUTHORITY TO OBTAIN BOND INSURANCE AND AUTHORIZING OTHER NECESSARY ACTION.

✓ Vote Record –Approval of Bond Resolution of 05/09/2007							
			Yes/Aye	No/Nay	Abstain	Absent	
X	Accepted	Joan Nagel	<input checked="" type="checkbox"/>				
		Albert Tenney	<input checked="" type="checkbox"/>				
		John Lopuszanski	Second	<input checked="" type="checkbox"/>			
		Lawrence Clever	Initiator	<input checked="" type="checkbox"/>			
		Herbert Kavash					<input checked="" type="checkbox"/>

Motion to Authorize Administrative and Professional staff to finalize and submit to the DEP on behalf of the Authority the Corrective Action Plan (CAP) by May 21, 2007

✓ Vote Record –Authorization to finalize & submit CAP Plan							
			Yes/Aye	No/Nay	Abstain	Absent	
X	Accepted	Joan Nagel	<input checked="" type="checkbox"/>				
		Albert Tenney	<input checked="" type="checkbox"/>				
		John Lopuszanski	Second	<input checked="" type="checkbox"/>			
		Lawrence Clever	Initiator	<input checked="" type="checkbox"/>			
		Herbert Kavash					<input checked="" type="checkbox"/>

## Discussions-

The following documents were handed out at the meeting:

- Bond Resolution for 1997 Bonds
- 05/03/2007 Letter to Jenifer Fields of DEP from Carroll Engineering
- Draft of the Corrective Action Plan (CAP)
- Draft of the Proposed Employee Handbook

Mr Schwartz went over the NPDES Compliance Inspection Report dated 04/16/2007 and Mr Schwartz also went over the SSO report that was sent to DEP on 04/19/2007 by Mr Berry Mr Clever asked how the incident happened Mr Heydt explained the issue with the dosing tanks that were overflowing on the day of the inspection. The day of the inspection there had been 4 inches of rainfall and that can result in an overflow. Mr Clever noted that the letter that was sent to the DEP by Mr Berry in response to the notice was well written Mr Clever asked why these reports are generated Mr Berry and Mr Schwartz both stated that these are required to be reported as per DEP regulations. Mr Lopuszanski asked about the timeline of the incident and why the written report was submitted several days after the incident

North Wales Water Authority - Minutes

Mr Berry stated that the operator has 24 hours after the any event/incident to report to the DEP by phone that an event/incident had occurred and Mr Schwartz stated that given the 5 day period the Authority has to submit the written report, the Authority pursued a thorough gathering of information and review process.

Mr Clarke noted that this was our first incident and that this will happen again. Many plants in the southeast area had the same issue with this amount of rainfall. The actual reporting system at DEP was overloaded with many calls from others.

Mr Clever asked for an explanation of the figures on the DMR reports

Mr Heydt explained them and that we are well under our permit allotments. He explained that monitor/report noted on the papers means that we only have to test and report these items.

Mr Lopuszanski asked about the high flow rates that occurred on March 21<sup>st</sup> & 22<sup>nd</sup>

Mr Berry explained that this will be from high ground water tables that causes infiltration into the sewer system

Mr Heydt explained that the previous 5 days there was approx 2.1 inches of rain

Mr Schwartz then discussed the fees that were for the Voluntary Correction Process and the Determination letter for the pension plan

Mr Clarke explained why these were needed

Mr Clarke stated he had a few issues to discuss.

The first being the allowance of credits for non sewer use for pools, lawn sprinklers etc. This will be addressed in the revised Rates and Regulations, however and the office needs to have some direction and Mr Clarke would like to introduce at the next meeting a Resolution that states there will be no credits for residential customers for non sewer use water resulting from the filling of pools, running of lawn sprinklers or deduct meters, but that a business may be able to receive a credit if they can provide proof that a certain process uses water or chillers are used in the facility.

Mr Lopuszanski asked about the legal aspect

Mr Clarke stated that there would not be any issues as long as this applies equally to all of the sewer customers within a specific class.

Mr Clarke's second issue is the draft employee handbook that was distributed to all the Board members. He suggests that this be reviewed at several meetings as there are some areas that will need to be discussed in detail such as the vacation policy.

Mr Schwartz stated that there are 2 other versions of the vacation policy in the back of the book and that the version included in the book is the preferred one.

Mr Clarke stated that the special counsel will be available if needed

The third issue is the Bond Resolution that was handed out. Mr Clarke stated that a conference call on 05/08/2007 had occurred with all concerned and the recommendation was to stay where we are at, but get authorization in case we need to move quickly if the rates change.

The Authority is hereby authorized to issue its Water Revenue Bonds, Series of 2007, as fully registered bonds, in a principal amount not to exceed \$17,500,000 and in denominations of \$5,000 and integral multiples in excess thereof as specified in the Supplemental Indenture. The Bonds shall be issued as "additional bonds" and shall be secured under the Indenture.

A Committee of the Board, consisting of the Chair and the Vice Chair of the Board (the "Bond Committee") is hereby delegated the power, consistent with the general terms of this Resolution, to determine the final terms of the Bonds, including, without limitation, the principal amount (limited to \$17,500,000) thereof, the rates of interest with respect to the Bonds, dates of maturity, redemption provisions, security and other

North Wales Water Authority - Minutes

provisions; provided, however, that the net present value savings (as determined by the Underwriter, as hereinafter defined) shall be at least 3% of the aggregate principal amount of the 1997 Bonds to be refunded.

Mr Schwartz stated that there are 2 insurers that we can choose. If we wait until June 26, 2007 to proceed the insurer will be Excel or if we move forward sooner it could be either Excel or FSA  
Mr Clever asked if choosing the insurer was part of the resolution  
Mr Schwartz stated that is was

Mr Tenney asked why we needed the insurance

Both Mr Clarke and Mr Schwartz explained that if for some reason we defaulted on the Bond the insurer would need to pay the bond holders

Mr Schwartz said that the savings we could realize will be approx \$814,000 if the rate remains what it is today on June 26<sup>th</sup> or we will be paying basis points if we move now and only have an approx \$637,000 savings. The federal government is not expected to raise the rate until after the June 26<sup>th</sup> deadline. The recommendation is to not price the bonds today and to continue to monitoring the market conditions.

Mr Heydt discussed his letter of 05/03/2007 to Jenifer Fields of the DEP that was handed out at the meeting. This letter was in response to the message that we need to meet the July 2008 permit requirements.

Mr Heydt, Mr Berry and Mr Schwartz all noted that at the Dec 14<sup>th</sup> meeting with the DEP it was implied by DEP that we did not need to meet these requirements until the new TMDL's were approved. The projected completion time for the new TMDL's was the end of 2007.

Mr Heydt is waiting to hear from Jenifer Fields before proceeding. He will ask for a meeting with the DEP if he does not have a response from her.

Mr Clarke stated that this was not a minor issue. We have lost 6 months of sewer system upgrades time and would have started our projects sooner and would have borrowed the necessary additional capitol money.

Mr Clever wanted to know where this leaves us now. What happens next?

Mr Heydt explained that there was not an appeal here. We will look at what could be done to make it work by July 2008. He then discussed possible methods that could be used to meet the requirements by July 2008.

Mr Lopuszanski wanted to know what the downside was.

Mr Heydt explained that if we do not meet the requirements we may be fined and receive a consent order. We need to be out of compliance for a consecutive amount of time before any procedures will occur.

Mr Heydt went over the Draft Corrective Action Plan (CAP) that addresses a request by Jesse Goldberg of the DEP. The CAP needs to be given to DEP by May 21<sup>st</sup> of this year. As the Board does not meet until after this date, Mr Heydt would like authorization to finalize and submit on behalf of the Authority the report.

Mr Clarke stated that had 2 other issues to address. We have received a request from the Montgomery County Dept of Public Safety Emergency Services Group requesting our hydrant data in GIS format for emergency purposes.

We would like to ask for a hold harmless agreement from them for errors and omissions of the data. We would also like to make sure that the county does not distribute this information to any others. It is to be used for 911 mapping and emergencies situations only.

Mr Tenney wanted to know if they were being charged for this and if the piping size will be part of the data

North Wales Water Authority - Minutes

Mr Schwartz stated that they are not being charged as of right now, but that is still being looked into. Mr Berry stated that yes the pipe size and flow data was part of the data being requested Mr Tenney wanted to know if we had ever been asked for this type of information before Mr Berry said yes developers often ask for our data, but that he request their drawings and we mark our lines on their drawings and return to them Mr Tenney wanted to know what happens if the county does distribute the data to others Mr Clarke stated we will need to recover the information from whoever received it and if we incurred any damages we would need to go after that as well.

The other issue is the Route 202 and Cherry Lane intersection in Whitpain Twp. Mr Berry showed a drawing of the area and explained what we would like to do. When Route 202 is widened our water line approx 480 feet will be in under the new roadway. As there is only 1 service connection on that line and PA-American has pipe across from the building, He would like to contact them about servicing this property and abandoning the line. Mr Berry said it would cost approx \$75,000 to \$100,000 to move the line and we only have about \$600 per year in revenue from this customer. The Board agreed that a letter should be sent

The Board decided to table the meter demo and the diversion project discussion until Mr Kavash returns.

### Bills & Requisitions Approval

» Accept the Bills & Requisitions in the amount of \$ 368,646.42

✓ Vote Record – Bills & Requisitions in the amount \$368,646.42							
			Yes/Aye	No/Nay	Abstain	Absent	
x	Accepted	Joan Nagel	<input checked="" type="checkbox"/>				
		Albert Tenney	<input checked="" type="checkbox"/>				
		John Lopuszanski	Seconder	<input checked="" type="checkbox"/>			
		Lawrence Clever	Initiator	<input checked="" type="checkbox"/>			
		Herbert Kavash					<input checked="" type="checkbox"/>

### Statements

There being no further business a motion was made by Mr Clever, seconded by Mr Lopuszanski, to adjourn the meeting at 7:50 PM. All present voted in favor.

Lawrence Clever

Secretary