

## Lake City Sewer Authority Meeting of Feb- 13-2018

This meeting took place at the Lake City Borough Council Chambers at 7:00 p.m.

Attending: Robert Pier; Rick York excused- Darwin Michielsen - David Jackson; Joseph Legnasky; Engineer Halmi; and Attorney Gary Bax

Visitor - Brent - Sewer Plant Operator; Doug Straw - Councilman

Doug:

Approval of the Minutes of January 13th, 2018 motion: David Jackson second: Darwin Michelson

### Financials:

New Bills for Approval:

The McDonald Group L.L.P - invoice # 60590 = \$435.00

The McDonald Group L.L.P - Invoice # 60589 = \$240.00

The McDonald Group L.L.P - Invoice # 60588 = \$240.00

The McDonald Group L.L.P. - Invoice # 60587 = \$240.00

The McDonald Group L.L.P. - Invoice # 60569 - \$0.00

Total = \$1155.00

Contractor Submittal - Konzel Construction contract 2017-1 payment #1 = \$35,100.00 Check # 1055 on Andover Bank dated 2-14-18.

Deiss & Halmi Engineering Inc. Invoice # 12-17-18B = \$100.00

Monhan & Monhan P.C. = \$23.00

Motion to pay the bills - Dave Jackson second by: Darwin Michielson

Request for Distribution #18 to Andover Bank in the amount of \$35,100.00

motion by: Darwin

seconded by: Dave

The interest payment request came in from Andover Bank for Loan # 620000006 for \$6881.91 payable by 2-28-18 after that date it will be \$7081.91 will review the current account balance at PNC which is \$5359.88 as of 2-13-2018 with deductions of \$1155 and \$100 from this meeting and the automatic transfer to the Commonwealth of \$3205.60 which would provide a balance of \$899.28. A request was submitted today to the Borough for a deposit of funds to cover this interest cost; have not been provided an answer. We will have a deposit of \$55,000 as requested for a principal payment on

loan # 6200000001 and if no action is taken by the borough these funds will be used to pay the interest of \$6881.91 with the balance of \$48,118.09 going to the principal on the loan. A new Request for Lease Rental Payment for interest was submitted to the Borough on 2-14-2018 in the amount of \$6881.91 and will be deposited in the PNC account. Request to Lake City Borough for the interest on Loan 6200000001 for the amount of \$1491.26 due 2-28-18. Check # 1071 was written for payment.

**Engineer Halmi:** Contracts became effective the second week of January 2018. Konzel construction should be setting up there site office and getting underway in March 2018. Approvals have been underway all month with materials and equipment a monthly meeting with the contractor to discuss progress on the project. Technical NPDS permit for construction; Konzel is the co-permute are jointly responsible for the permit. (A resolution for the co-permitted for the NPDS permit - motion by Dave and second by Darwin). Additional discussion on the contract - sludge pump and the sludge press to handle 40 gallons per minute; would like to up size the pump to the capacity of the press. This would go from a 3" to 4" pump approx cost of \$5000 with a variable speed drive. Proposed Change #1 for the next meeting. Control building siding to change from the stucco finish to a metallic insulated siding possible some savings. Grit Drag out system a possible replacement with an in kind replacement or using air lift parts to remove the current system has a lot of maintenance hours and it freezes in the low temperatures, Halmi Engineering is still investaging alternate methods this is not part of the project funding most of this is a maintenance project. The last technical area is the office space for the plant operator and his testing; Steve will contact the code inspector and have additional discussions on this matter for the upgrades, Brent's input was in agreement to continue with this method of use being close to the equipment and controls. Look at local contractors to possibly refinish the office space. The use of camera's at the plant via remote. Pennvest the additional funding was approved for over a \$5,000,000.00 loan with a closing in April 2018. If required the authority a No Prejudice letter for the project by Engineer Halmi motion by Dave and second by Darwin.

Gary Bax; Resolution for official intent to reimburse both general funds and short-term borrowed funds used to construct improvements to the authority's wastewater treatment plant with funds received from the Pennsylvania infrastructure investment authority.

Moved by Dave Jackson and Second by Darwin - Gary will have copies to the closing attorney and will have a copy for the meeting next month.

Motion for the Debit Obligation Resolution on Pennvest Loan No. 75327 in Section 3 the obligation is a current interest paying obligation. The obligation shall be dated as of its date of issuance. The Maximum principal amount of the Obligation is not to exceed \$5,063,240, which may be drawn and repaid on a non-revolving basis. The term of the obligation shall be an interest only period of up to 36 months followed by an amortization period of 240 months. The interest rate on the obligation shall be a fixed rate of (i) 1.00% per annum for interest only period, (ii) 1.00% per annum for the first 5 years of the amortization period, (iii) 1.742% per annum thereafter until maturity. Interest only on the outstanding principal balance of the Obligation shall be due and payable monthly during the interest only period. Level payments of principal and interest in the amount of (i) \$23,285.55 for the first 5 years of the amortization period, and (ii) \$24,577.36 thereafter until maturity, shall be due and payable on a



monthly basis. All outstanding principal and accrued interest shall be due in full at maturity. The Obligation shall be secured by, among other things, the Guaranty of the Borough.

motion by Darwin and second by Dave Jackson. see attached for the Debt Obligation Resolution

Solicitors report:

- \* Prepared LCMSA Audit Opinion Letter for 2017, delivered to Monahan and Monahan.
- \* Reviewed the new terms of the Pennvest Funding Offer.
- \* Prepared a draft WWTP lease provision for Pennvest loan Sixth Lease Amendment for Attorney Alberstadt's review and use, including limitation on additional rent for reimbursement of LCMSA's administrative costs of \$7,500 and limitation/lowering of 10% surcharge rent on debt service premiums to 5% to address LCMSA's funding post project completion.
- \* Prepared letter to Felix & Gloekler, Lake City Borough accountants to identify and describe Pennvest Loan borrowing details for LGUDA Debt Statement and Borrowing Base Certificate, for use by LCB in Pennvest Ordinance for commitment on Guaranty and Lease Amendment.
- \* Provided written opinion to Engineer Halmi, Attorney Alberstadt and Attorney Betza on necessary signatories to Pennvest documents, including Guaranty and Lease Amendment, with agreement from counsel on opinion.
- \* Provided LCMSA documents to Attorney Alberstadt for Pennvest closing (scheduled for 4-10-2018) including Pennsylvania Department of State Articles of Amendment evidencing LCMSA's corporate existence until 2058 and LCMSA's bylaws and organizational minutes.
- \* Communicated with Northwest Insurance Services to obtain insurance documentation required by Attorney Alberstadt for Pennvest closing. In accordance with condition of the Pennvest Funding offer.
- \* Reviewed LGUDA/Pennvest loan documents
  - i. Pennvest Borough Debt Ordinance:
  - ii. Pennvest Borough Pre-enactment Notice:
  - iii. Pennvest Borough Enactment Notice:
  - iv. Pennvest Authority Debt Obligation Resolution; and,
  - v. Pennvest Authority Reimbursement Resolution.

Motion to adjourn Dave and second Darwin

Next meeting March 13th,2018