

Chairman Nelson Brenneman called the Special Meeting of the Board of Supervisors to order at 2:00 p.m. with the following in attendance:

Supervisor Dennis Luckenbaugh  
Supervisor Tanya Crawford

On behalf of the Township:  
Mark E. Derr, Manager  
William Poole, Solicitor  
Alex Chiaruttini, Special Counsel

Chairman David Boyer called the Special Meeting of the North Codorus Township Sewer Authority to order at 2:00 p.m. with the following in attendance:

Authority Member Nelson Brenneman  
Authority Member Russell Fuhrman

Craig Sharnetzka, Solicitor  
Terry Myers, Engineer

Approximately 10 citizens representing the Noss Road area of the sewer project.

Mr. Brenneman announced that the Board of Supervisors held a very brief executive session prior to the start of the meeting to discuss pending litigation.

**I. General Public Comment**

The residents of the Noss Road area of the sewer project expressed concern over the cost to connect to the sewer system. They indicated that they had been told that tapping fees were going to be \$5,700. The Board explained that \$5,700 was the calculation of the maximum amount that could be charged for a tapping fee. The Board of Supervisors and the Sewer Authority further explained and agreed that there was never any intent to charge the property owners in the Noss Road area a tapping fee of \$5,700. Mr. Boyer proposed that the Authority review the legality of charging those residents the \$1,800 tapping fee that was established for the property owners initially connecting to the sewer system. The Authority should be able to conclude this by their February 15, 2010 meeting.

The residents were informed that the purpose of the meeting was to discuss the possibility of refinancing the existing debt of the Authority in order to minimize any increases in the tapping fee or user rates. It was not a meeting to raise either sewer rates or the tapping fee.

**II. Old Business**

Mr. Boyer asked the Board of Supervisors if they have evaluated the financial information provided and asked if they had any advice on how to deal with the current financial predicament.

Mrs. Crawford stated that she was concerned after reviewing the Authority's information, that there wasn't strong enough financial management or oversight of the Authority's finances. She has significant concern over the legal, engineering and auditing costs. She recognized the additional costs associated with Colonial Crossings litigation but doesn't believe that expenses are being watched close enough.

Mr. Brenneman stated that he believes that the Board of Supervisors and the Authority need to pursue

whatever legal means are available to require the Cornerstone Development to connect to the system and resolve the issue with the PUC and DEP.

Alex Chiaruttini from Stock and Leader discussed the need for the Authority and the Township to pursue an expedited hearing before the Environmental Hearing Board and offered several suggestions.

**Motion** by Mrs. Crawford, seconded by Mr. Luckenbaugh to appoint Alex Chiaruttini as Special Counsel to assist the Township and Authority Solicitors with the litigation before the Environmental Hearing Board and matters related to DEP. All members voted aye; motion carried.

Mr. Boyer made a motion for the Sewer Authority, seconded by Mr. Fuhrman to appoint Alex Chiaruttini as Special Counsel to assist their Solicitor with the litigation against Colonial Crossings with respect to DEP.

Steve Hovis from Stock and Leader joined the meeting at approximately 4:30 p.m.

There was a discussion regarding the issuance of additional debt, the guarantee for repayment of the debt by the Township and that the issuance of additional debt would require the approval of DCED. Previously, the Authority's Engineer certified that the \$15,500,000 of Sewer Authority debt was self-liquidating. As such it did not affect the Township's ability to borrow or guarantee additional debt. Given the fact that the Authority has an approximate shortfall of \$500,000 per year, it doesn't appear that the debt can still be classified as self liquidating. As such, the debt will now count against the Township's ability to borrow. The question is how much is self-liquidating and how much will count against the Township's debt limit? This will be impacted by any potential sewer rate increase. The Sewer Authority directed Terry Myers from CS Davidson to calculate various scenarios including rate increases from \$25 per quarter to \$75 per quarter.

Mrs. Crawford excused herself from the meeting at 5:00 pm due to a scheduling conflict.

**Motion** by Mr. Luckenbaugh, second by Mr. Brenneman, to adjourn. All members voted aye; motion carried. The meeting adjourned at 5:25 p.m.

Respectfully submitted,

Mark E. Derr,  
Township Secretary/Manager