

A Special Joint Meeting of the North Codorus Township Board of Supervisors and the North Codorus Township Sewer Authority was called to order by Twp. Chairman Nelson Brenneman on March 9, 2010 at 3:00 P.M. The purpose of the meeting was to discuss a potential refinancing of the Sewer Authority debt, sewer rate adjustments and any other business that came before the boards

Chairman Nelson Brenneman  
Supervisor Dennis Luckenbaugh  
Supervisor Tanya Crawford

On behalf of the Township:  
Mark E. Derr, Manager  
Steve Hovis, Solicitor

Chairman Dave Boyer  
Russell Fuhrman  
Nelson Brenneman

On behalf of the Authority  
Terry Myer, Engineer  
Craig Sharnetzka, Solicitor

Resident John ABarry@ Rebert also attended

#### **I. CALL TO ORDER**

A. Meeting opened at 3:00 P.M. with the Pledge to the Flag.

II. Dave Boyer reported on a meeting held on Friday, March 5, 2010 at the office of CSDavidson with Jens Damgaard, Steve Hovis, Terry Myers, Dave Boyer, Nelson Brenneman and Mark Derr. At that meeting it was presented that the Authority would not be able to take out a loan. The Trust Indenture regulations were explained and the circumstances under which money can be borrowed. As the Authority would not have sufficient revenue to pay existing debt and operations cost there would be no way to pay additional debt. The Township could only borrow the money. Several rate analysis were performed by Terry Myers to show what funds the Sewer Authority could generate to reduce the amount of borrowing that would have to be done by the Township until 2012 when the Authority could proceed to refinance bonds. The Borough of York New Salem currently charges \$975 and matching their rate would be more tolerable to the Authority customers until the Authority is able to refinance and meet future debt service. In the meantime we are hopeful that issues can be resolved with CMV and the issues with DEP. The debt service payment is due November 15<sup>th</sup>.

III. Mark Derr explained that the amount of money that the Trust Indenture has restrictions on, the amount of money that the Sewer Authority borrowed, identifies what type of additional debt that would be allowed. He explained the limits that the Authority=s debts put on the Township and what would be considered to be self-liquidating debt. The Township was only willing to borrow money if the Authority increased their sewer rates. Tonia Crawford pointed out the Authority knew it was in trouble several years already and should have raise the rates. Dave Boyer reiterated that the Authority has been trying to work with the Township on establishing a rate that the Authority and customers could accept. Tonia Crawford felt that the \$975 per year was not adequate and suggested they be \$1,100 per year. **MOTION** by Nelson Brenneman second by Dave Boyer to set the rates to \$1,000 per year or \$250 per quarter adopting Resolution 01-03-2010 amending the Rate Resolution. Two members approved, Russell Fuhrman opposed; motion carried.

Discussion followed on the terms of borrowing. The Township would borrow the funds to complete the debt service until 2012 when the Authority would be able to request reissue of the bonds. The loan would not require a principal payment until 2012 when the bonds could be structured to pay back the Township loan and restructure the debt service.

The Township was concerned about the effect this would have on their borrowing ability. Tonia Crawford expressed her opposition to the Township borrowing additional funds to meet the Authority's expenses. Nelson Brenneman stated that he does not want to pay interest due on the debt, that paying interest on interest does not make sense. **MOTION** by Dennis Luckenbaugh second by Nelson Brenneman to pursue borrowing additional funds to assist the Authority with debt until 2012. Two members voted aye, Tonia Crawford opposed; motion carried.

**MOTION** by Tonia Crawford second by Nelson Brenneman for the Township to sign the engagement letter to share the expense of Alex Chiaruttini as special counsel with Stock & Leader to provide representation before the Environmental Hearing Board. All members voted aye, motion carried.

**MOTION** by Russell Fuhrman second by Nelson Brenneman for the Authority to sign the engagement letter to share the expense of Alex Chiaruttini as special counsel with Stock & Leader to provide representation before the Environmental Hearing Board. All members voted aye, motion carried.

**MOTION** by Tonia Crawford second by Dennis Luckenbaugh to have the Township refile the breach of contract filed by Atty. Poole by Reese Griffith of CGA Law Firm. All members voted aye, motion carried.

**MOTION** by Dave Boyer second by Russell Fuhrman to adjourn the meeting. All members voted aye, motion carried.

Meeting Adjourned at 4:35 PM.

Respectfully submitted,

Brenda E. Trowbridge  
NCT Sewer Authority