

**MINUTES OF THE AUGUST 2, 2022 MEETING OF THE
WEST CORNWALL TOWNSHIP MUNICIPAL AUTHORITY**

The following are the minutes of the meeting of West Cornwall Township Municipal Authority held at the West Cornwall Township building situate at 73 South Zinn's Mill Road, Quentin, Lebanon County, Pennsylvania, on Tuesday, August 2, 2022 at 6:00 p.m. The meeting was duly advertised as required by the applicable statutes of the Commonwealth of Pennsylvania.

Present at the meeting were Joseph Foltz, Robert Kolb, James Shoemaker, William Matthews, Marty Daigle, Dennis Tulli, and Glenn Yanos, Authority Board members Russ Gible, West Cornwall Township Supervisor; Jeffrey Steckbeck, P.E., Manager/Engineer; Amy B. Leonard, Esq., Solicitor. Otto Leinhauser and George Dundore, members of the public, were also present.

A motion was made by Mr. Kolb and seconded by Mr. Foltz to approve the meeting minutes from the June 7, 2022 meeting of the West Cornwall Township Municipal Authority, with all voting in favor.

Manager's / Engineer's Report – Mr. Steckbeck reviewed the financial audit for 2021 with the Authority members. Mr. Yanos made a motion, seconded by Mr. Foltz, to accept the 2021 financial audit as presented, with all voting in favor.

Mr. Steckbeck reviewed the Quentin and Stoberdale accounts for June and July 2022, and directed that those statements be attached to the minutes. Mr. Steckbeck noted that the expenses were customary, and reflected income from two new tapping fees. Mr. Steckbeck stated that the Mount Gretna Authority invoice had been received and would be paid in due course. Mr. Steckbeck pointed out a loan payment was made on July 8, 2022 to People's Security Bank and Trust, representing the first payment on the refinanced former USDA loan. Mr. Steckbeck indicated that income and expenses for Stoberdale were stable. A Motion was made by Mr. Yanos and seconded by Mr. Kolb to approve the financial reports, and all voted in favor.

Mr. Steckbeck provided a Water EDU allocation chart, which he reviewed. This was prepared using Quentin Water Company meter reading. Average quarterly use was divided by 150 gallons per day, based on 2.3 persons per household. Mr. Steckbeck calculated 433 total EDUs. The principal and interest payments for the loan to acquire the Quentin Water Company are approximately \$62,500 per year. Dividing that by 433 EDUs would give approximately \$144 per EDU in debt service payments to allow the Authority to make the loan payments. Mr. Steckbeck indicated that there were 33 single family residential dwellings with high usage that could be reduced to 1 EDU from 2 EDUs, and therefore he re-calculated debt service payments based on 400 total EDUs, and made a recommendation that the debt service component of the water bills for customers be set at \$40.00 per quarter to ensure sufficient funds.

Questions and comments from the public regarding the debt service fee were received.

Solicitor's Report – Attorney Leonard reported that several changes were made to the Asset Purchase Agreement for the Quentin Water Company in light of communications with QWC's attorney, Mr. Christianson. Attorney Leonard noted that Mr. Christianson had provided a list of assets and the deed for the real property owned by QWC. She also reported that, based on Mr. Christianson's communications with the PUC, which must approve the QWC's application for abandonment to allow the sale to the Municipal Authority, the PUC process for approval could take as long as 9 months. Attorney Leonard pointed out that this creates some

issues, as there will be payments to be made for the QWC acquisition loan in December 2022 and June 2023, and it is unclear when the Authority might begin to receive water revenue. Attorney Leonard included several new provisions in the Asset Purchase Agreement to try to compensate for the extended period of time before closing on the asset transfer might be completed. Discussion on the new provisions occurred. Mr. Matthews noted that the PUC application required a final signed Agreement between the parties to proceed, so the details of the Agreement needed to be worked out as soon as possible. Mr. Tulli indicated that the Township Supervisors have been supportive of the water company acquisition and might be willing to assist with interest/loan payments and operational expenses needing to be paid prior to water revenues being received by the Authority.

Mr. Shoemaker appointed himself, Mr. Tulli, and Mr. Foltz to act as a negotiating committee to meet with QWC representatives to try to finalize the terms of the agreement with the QWC. The intent is to ratify and approve any changes to the Asset Purchase Agreement at the Authority's September meeting.

Mr. Yanos made a motion to pay the bills, which was seconded by Mr. Foltz. All voted in favor.

There being no further business before the Authority Board, Mr. Shoemaker adjourned the meeting at 6:40 p.m.

The next meeting of the West Cornwall Township Municipal Authority will be September 6, 2022.

Respectfully submitted,
Amy B. Leonard, Solicitor