

CAMDEN-WYOMING SEWER & WATER AUTHORITY
P.O. BOX 405, CAMDEN-WYOMING, DELAWARE 19934

*Minutes of the Camden-Wyoming
Sewer and Water Authority
Regular Session - Authority Meeting
Held on March 13, 2012*

Authority Members present: Mr. Mark Dyer
Mr. Michael McFann
Mr. Michael Quinn
Ms. Tracy Torres
Mr. James Winchell

**Also in attendance representing
the CWS&WA:** Mr. Harold Scott, Authority Superintendent
Mr. Soheil Gharebaghi, P.E., Authority Engineer
Ms. Mary Sherlock, Esq., CWS&WA Attorney
Ms. Lisa Le Beau, Authority Billing Clerk

Public in Attendance: Meeting Attendance/Sign-in Sheet;
available at the CWS&WA Office

The Camden-Wyoming Sewer and Water Authority (CWS&WA) met at the CWS&WA Office on March 13, 2012. The meeting was called to order at 7:05 p.m. by the Chairperson, Mr. Dyer. Mr. Dyer noted a vacancy on the CWS&WA Board of Directors resulting from Ms. Green's resignation. There were no items removed from the Consent Agenda.

Maintenance & Operations Status (Superintendent Report):

Mr. Scott distributed the period's Operation and Maintenance Report and discussed the same. Mr. Scott reported that the Chapelcroft sanitary sewer system maintenance program, which had commenced in 2003, was again being implemented. The program involved the root cutting, flushing, and video inspection of the terra cotta sewer mains as well as service laterals with root infiltration, Mr. Scott noted. Mr. Scott indicated that the maintenance program would repeat about every five (5) years. The previous sanitary sewer maintenance activities at Chapelcroft had been undertaken in 2008, and the next, would most likely, be scheduled in 2016 or 2017, depending on the communities needs.

Mr. Scott indicated that the Authority's crews had replaced a fire hydrant at South Layton Avenue during the past period. With the replacement of water service laterals along South Layton Avenue, the Meadow Ave., Pear and Apple Tree Streets water distribution system upgrades' project would be completed in the near future, Mr. Scott added.

Mr. Scott indicated that the Authority's accounts receivables (AR) aging were approximately \$107,000, of which only \$56,000 had aged more than 180 days.

Engineering Report:

Using a visual projection presentation, Gharebaghi described the Upgrades to “Yellow Transmission Lines” of the Authority’s sanitary sewer collection and conveyance system, mostly along Isaac’s Branch and within the Isaac’s Branch flood plain area. The project would involve dealing with an existing 14" Ductile Iron Pipe through the crossing of Isaac’s Branch’s flood way, approximately 70 linear feet, by replacement, cured-in-place pipe lining, or through boring and jacking method of construction, to protect the sanitary sewer crossing from infiltration and inflow of stream water into the sewer system, Gharebaghi added. It was indicated that all methods of construction would be evaluated with respect to design option and cost associated with the various methods.

Gharebaghi noted that the preliminary estimates of probable cost of approximately \$105,000 for the project had been provided to the Board Members and discussed during the Authority’s August 9, 2011, Regular Meeting. Updated reports on the project progress would be presented at future Regular Meetings, Gharebaghi added.

Legal Report:

Ms. Sherlock reported that work was in progress with Mr. DiMondi and his attorney toward the transfer of ownership of a parcel of land at the Camden Business Center to the CWS&WA.

Ms. Sherlock indicated that the office of Kent County Recorder of Deeds had changed its position with respect to invoices for past recordings in the Authority’s favor.

Regarding the FOIA related litigation, Ms. Sherlock indicated that the matter was in the hands of the presiding judge over the case for a decision or to order oral arguments.

Approval of the Consent Agenda:

Motion: Mr. McFann made a motion to approve the Consent Agenda, seconded by Mr. Quinn. Motion carried unanimously.

New Business: *Fiscal year 2010-2011 Financial Audit Report and,
Early payment of Debt*

Mr. Luff indicated that in the Authority’s 2010-11 FY financial Audit, Keith Thompson of Dingle and Kain had reported that the Authority’s internal financial controls had been tested and no material deficiencies had been found. Mr. Luff characterized the Authority’s financial position as strong. Mr. Luff discussed the Auditor’s Report and recommended its acceptance by the Board.

Mr. Luff reported that the Authority had been selected by the IRS for a compliance audit. The compliance audit had been completed and no deficiencies had been found, Mr. Luff added.

New Business (cont.):

Concerning the early payment of the Authority's debts for a State Revolving Fund (SRF) loan and to Citizens Bank, Mr. Luff discussed the implications of early or prepayment. Mr. Luff explained that Citizens Bank had incorrectly advised the Authority regarding early payment penalties. While in November of 2011, a letter from a Vice President of Citizens Bank had indicated that prepayment penalties would not be applied to the Authority's loan, in January of 2012, the Bank had reversed its position on prepayment penalties and demanded \$75,000 in early payment penalties should the Authority decide to payoff Citizen Bank's loan prior to its maturation, Mr. Luff added.

Mr. Luff discussed certain covenants, to which the Authority had agreed, in connection with the Citizens Bank loan. After discussion on the matter the following was decided:

Motion: Mr. Winchell made a motion to neither pay off the Authority's SRF loan nor the Citizens Bank loan and to continue both to maturity as they stand, seconded by Mr. McFann. Motion carried unanimously.

Fiscal year 2010-2011 Financial Audit Report

Motion: Mr. Quinn made a motion to accept the Authority's fiscal year 2010-2011 financial Audit report as presented, seconded by Mr. McFann. Motion carried unanimously.

New Business: *Policies pertaining to Conflict of interest, Employee Protection (whistle blower policy), and Record Retention and Document Destruction Policy*

Mr. Dyer explained the three (3) policies which had been distributed to the Board Members concerning conflict of interest, Employee Protection (whistle blower policy), and Record Retention and Document Destruction Policy. Mr. Dyer noted that the Authority's financial Auditors had recommended the adoption of the above policies.

Motion: Mr. McFann made a motion to adopt the recommended Policies pertaining to Conflict of Interest, Employee Protection (whistle blower policy), and Record Retention and Document Destruction Policy, seconded by Mr. Quinn. Motion carried unanimously.

The Sewer Account of Mr. L. Caulk - 333 W. Darby Circle (Requested Agenda item by Mr. McFann)

Mr. McFann indicated that he had been contacted by Mr. Caulk regarding his sewer account. Mr. McFann explained that Tamarac was served by Tidewater Utilities, Inc. for water utility services. Many property owners in Tamarac had requested the Authority's sewer utility services necessitating the installation of a second water meter based on which the Authority would bill homeowners for sewer services. The second water meters (the first sets of water meters were installed by Tidewater Utilities) had been installed out of sync with the Authority's water meter tracking system resulting in errors in the

Authority's sewer billing. The water meters which had been supplied to the developer's plumbing contractors for certain lots had been installed in other than the lots to which the meters had been assigned. To mitigate this problem, The Authority now assigns meters, one at a time, for installation within 24 hours of their issuance. About 15 Tamarac homeowners, including Mr. Caulk, had been the Authority's sewer customers for the past three (3) years without receiving any sewer bills from the Authority. When the errors were discovered, the Authority afforded the homeowners three (3) years to pay for the sewer services received during the past three years in monthly, quarterly, or other reasonable schedules amicable to the homeowner and CWS&WA. The Authority's billing clerk, Ms. Le Beau, explained that most of the homeowners had made arrangements to make installment payments for their past three years' sewer services. Ms. Le Beau indicated that she had met with Mr. Caulk on October 8, 2010, at which time Mr. Caulk had acknowledged the sewer services received at his property. Mr. Caulk had made payments toward the past three years' sewer services. However, the matter had not been resolved with Mr. Caulk, Ms. Le Beau added.

Following discussion on the matter, Ms. Le Beau was asked by the Board to compile information on Mr. Caulk's sewer account, including the past due amount, any penalties for late payment, interest, etc. The Board's consensus was that any penalties for late payment or interest charges would not be expected to be paid by Mr. Caulk due to his account's circumstances. The matter would be further discussed at the next Regular Meeting. Mr. McFann offered to continue to keep an open dialogue with Mr. Caulk in connection with his sewer account until the Board's evaluation at the next Regular Meeting.

Visitors' Comments:

Mr. Gene McFann urged the Authority to exercise kindness when dealing with the Authority's customers.

Mr. Casquerelli indicated that the \$75,000 prepayment penalties for the early payoff of the Authority's debt would not be exceeded by the interest expense associated with the loans. Mr. Casquerelli also suggested a line of credit to be made available to the Authority's operations.

Adjournment:

The Regular Meeting was adjourned into an Executive Session at 8:55 p.m. for the discussion of legal matters.

Motion: Mr. McFann made a motion to adjourn the Regular Meeting into an Executive Session, seconded by Ms. Torres. Motion carried unanimously.

The Regular Meeting was reconvened at 9:30 p.m. for the purpose of adjourning the Regular Meeting.

Motion: Mr. McFann made a motion to adjourn the Regular Meeting, seconded by Ms. Torres. Motion carried unanimously.

The Regular Meeting adjourned at 9:30 p.m.

The next Regular Meeting will be held on April 10, 2012, at 7:00 p.m.

Respectfully Submitted,
CAMDEN-WYOMING SEWER & WATER AUTHORITY

Harold L. Scott, Sr.
CWS&WA Superintendent