



Tuesday, August 30, 2022

At the special meeting of the Mt. Gretna Campmeeting Association Board of Managers, held on Tuesday evening, August 30, 2022, via Zoom Webinar, Hal Myers presided.

A quorum was present including the following: Carmen Bianco, Miles Bojanic, Kevin Burd, Don Dale, Joe Lamont, Ted Martin, Esther Mefferd, Hal Myers, Tammy Travitz, and Pat Wilmsen.

15 Members attended via Zoom.

1) Call to Order, Hal Myers

The President called the meeting to order at 6:40 p.m.

2) Approval of Minutes

- a) Since all Managers had an opportunity to review the minutes of the Board's August 2022 Regular meeting, Joe Lamont moved that the Board dispenses with the reading of and approve the August minutes. Seconded by Esther Mefferd, the motion carried unanimously.

3) New Business

- a) Approval of Project Budget.

The MGCA was originally approved for a \$1,404,527 PENNVESTPENNVEST loan. As discussed in previous meetings, the lowest construction bid came in \$250,000 higher than loan estimate. That and other factors resulted in the need to request an increase to the loan cap by \$225,473 to a total of \$1,630,000. The first step in this process is the formal adoption of the project budget by the Board of Managers. One of the PowerPoint slides (attached to these minutes) compares the cost categories from the funding offer budget to the PENNVESTPENNVEST Budget at settlement that includes updated information. Some categories were higher, some lower. The goal is to have an adequately high loan cap so that you don't exceed the amount of the loan.

PENNVESTPENNVEST also requires the MGCA to set aside 22 months of debt service on the loan. Originally this amount was \$150,000, with the revised funding request this number would be \$182,000. This money will be untouchable until released by PENNVESTPENNVEST based on satisfactory financials, at least one year or multiple years into the loan.

Kevin Burd made a motion that the following resolution be adopted:

Whereas increases in construction, legal, engineering, and interest costs have increased the overall cost for the Campmeeting Water Storage Tank Replacement Project as compared with previous estimates, therefore be it resolved that the MGCA Board of Managers accepts and approves the August 2022 revised budget of \$1,630,000 for completion of the Water Storage Tank Replacement project. Don Dale seconded the motion.

Discussion followed.

Miles Bojanic asked what would happen if the project exceeds 1.6 million. Hal Myers and Carmen Bianco responded that additional funds would come from one of three sources:

- A subsequent loan,
- Take from the existing budget,
- Make a special assessment.

Ted Martin stated that he thanked all involved who worked on this project, but that he could not support the project because there was no rate study with the Mount Gretna Authority (MGA).

Miles Bojanic also expressed the concern that all our financial resources appear to be given to one project



when there are so many other project and infrastructure significant needs. Pat responded that as long as we stay within budget, we will be reimbursed for the monies that we have expended on this project to date. In addition, any money that will be ‘borrowed’ from our own project funds over the next few months will also be repaid, allowing those other projects to move forward. Finally, there is money in the 2023 budget to continue with other necessary projects. Kevin Burd added that for 7 years the water tank has been part of all our discussions. He stated the water tank issue needs to be addressed now to assure the community that they have safe, clean drinking water. In February of 2021, the Board unanimously agreed to replace the water tank. While other options were explored after February of 2021, we have the highest producing well with the cleanest water in Gretna, and a valuable resource for our community. Hal added that none of this information is new, that replacing the tank has had the support of the Board and the community through two funding votes, and while it is unfortunate that prices have increased and that conversations with the MGA were not fruitful – the steps being taken tonight or merely the next practical steps that need to be taken to move forward with a decision made by the Board a year and a half ago. Ted Martin added that the offer of a paid for rate study is new information.

Hal Myers responded that several years ago the MGA stated they needed a rate study years ago, but never did it. He also offered that the MGA has operated their system for almost 50 years without a rate study. Hal made a proposal based on variable and fixed costs and what the MGA costs might be and asked the MGA if a rate study showed a resulting substantial lowering of the water rate cost – and Hal never received a positive answer. Hal believes that if the MGA were seriously interested in having the MGCA as a customer, they could have come up with a water rate for us in the same way they did for their current customers. Joe Lamont stated that we’ve gone to the MGA twice to let them know we would be interested in being a customer. The MGA as a vendor never came back with a rate proposal for the MGCA as a customer. They could have delivered a rate proposal that was beneficial to both parties.

Hal called for the vote. The motion passed with 8 yes votes, one no vote from Miles Bojanic, and Ted Martin abstained.

b) Request for Increased PENNVEST Funding.

In addition to passing a budget reflecting the increased costs, the Board also needs to pass a resolution authorizing the increased loan amount. Hal showed a letter that would be sent to PENNVEST if the resolution passed, the letter is attached to these minutes in the PowerPoint slides.

Tammy Travitz made a motion that the following resolution be adopted:

Whereas increases in construction, legal, engineering, and interest costs have increased the overall cost for the for the Campmeeting Water Tank Replacement Project as compared with previous estimates, therefore be it resolved that the MGCA Board of Managers authorizes a request to PENNVEST for an additional amount of \$225,473 to fund the Water Storage Tank Replacement Project, resulting in a total funding request of \$1,630,000.

The motion was seconded by Don Dale. The motion passed with 9 yes votes and one abstention.

c) Reimbursement Resolution.

PENNVEST requires a resolution which states the MGCA will pay the initial costs of the project from our General Fund until we start to receive draws from the loan to pay contractors. In addition, it states that draws from the PENNVEST loan will only be used towards the project.

Joe Lamont made a motion that the following resolution be adopted:

Whereas, the Mt. Gretna Campmeeting Association, Inc. (“Funding Recipient”) has determined that construction of improvements to the drinking water system located in West Cornwall Township, Lebanon County, Pennsylvania (the “Project”), are necessary; and whereas, in order to finance the costs of the



Project, the Funding Recipient has issued or intends to issue its Debt Obligation to the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) in the maximum principal amount of \$1,630,000.00 (the “PENNVEST” Debt Obligation”). Whereas, Funding Recipient intends to pay Project costs, on an interim basis, using its General Funds until the proceeds of the PENNVEST Debt Obligation are received; Now, therefore, the Funding Recipient hereby declares as follows: Pursuant to federal requirements set forth at 26 C.F.R. § 1.150-2, the Funding Recipient officially intends to reimburse its General Funds for Project costs incurred by the Funding Recipient with the proceeds of the PENNVEST Debt Obligation up to the maximum principal amount of \$1,630,000.

The motion was seconded by Tammy Travitz. The motion passed with 9 yes votes and one abstention.

d) Letter of No Prejudice.

Normally, work would not start on a project until after PENNVEST settlement. This originally would have been October 4, but due to the increase request it will now be mid-November. This would not only delay the project, but unlock bids with the potential for further cost increases. Approval of a Letter of No Prejudice will allow us to start work as originally scheduled, thereby avoiding previously stated issues. The MGCA must pay the initial costs of the project until PENNVEST loan disbursements start, likely late November. These are estimated at \$15,000.

Tammy Travitz made a motion that the following resolution be adopted.

Whereas it may be advantageous for the MGCA to begin construction on the Water Storage Tank Replacement Project prior to PENNVEST loan Settlement, Therefore be it resolved that the MGCA Board of Managers authorizes the submission of a Letter of No Prejudice to PENNVEST to allow the start of construction on the Water Storage Tank Replacement Project prior to Settlement of the PENNVEST loan.

The motion was seconded by Pat Wilmsen. The motion passed with 9 yes votes and one abstention.

e) Intent to Award.

In order to move forward with the contractor, we need to pass a resolution of our intention to award; the final award will come later in the process.

Joe Lamont made a motion that the following resolution be adopted.

Whereas it would be useful to formally advise the Water Storage Tank Replacement Project contractor that the MGCA expects to proceed with the project, Therefore be it resolved that the MGCA Board of Managers authorizes HRG to provide “Notice of Intent to Award” to our project contractor (PSI Pumping Solutions, Inc.).

The motion was seconded by Tammy Travitz.

Miles Bojanic asked at what point in the process would we know exactly what we’re getting from the contractor. Hal explained that HRG established all the base line parameters to keep the project in line with all required government standards. During the construction process, the contractor will have to submit their plans to HRG for HRG’s approval before proceeding. HRG will ensure that all standards are met.

Miles also asked if the MGCA would get to choose the tank provider if several providers were listed. Joe Lamont responded that both project bidders were going to use the same tank company, Fisher Tanks.

The motion passed with 9 yes votes and one abstention.

f) Water Tower Working Group.

Hal proposed that a water tank project group be formed to keep track of the entire project. This group would be the board’s liaison with the engineering firm, manage the accounting and administrative work, and liaise with our legal representative. The preliminary suggested makeup is Joe Lamont as chair, Kevin Burd, and Pat Wilmsen. Ben Slotznick has also been suggested because of his experience with project management.



Ted asked if the composition of the working group could change over time. Hal responded that having consistency on the committee is ideal for experience with their group's work, but that the group could certainly change. Pat added that if the working group finds that a Member is able and willing to help and has an area of expertise that would benefit the working group, that they would certainly be open to asking them to join. Joe added that the proposed group is a good starting point, and that he would like to get it up and running before making changes.

Miles Bojanic suggested that Bill Linton be added to the working group because of his engineering expertise, his interest in the project, and his willingness to help. Esther Mefferd added that she thought Bill Linton would be a good addition to the group at its onset. Joe said that he would be happy to follow up with Bill. Hal added that Bill's credentials are significant.

Carmen Bianco added that having very specific roles in the working group would be important to make sure that specific individuals, under the direction of the working group chair, are the only ones talking with the service providers.

Ted Martin also added that Bill Linton would be a great addition to the committee with his top-notch engineering experience.

Hal asked if Joe was comfortable with members of the working group being appointed by the Executive Committee. Joe responded that he would be comfortable with whatever the Execs decide. Pat Wilmsen added that she thought no one should be appointed to the group without consultation with the working group's chair as well, and as Bill's name was put forward, it shouldn't be just the execs who decide, but the chair as well.

Pat Wilmsen made a motion that the Board create a Water Tank Working Group whose purpose will be to effectively administer the Campmeeting Water Tank Replacement Project. Members of that group shall be appointed by the President in consultation with the Executive Committee and Working Group Chair, Joe Lamont. Kevin Burd seconded the motion. The motion passed with 8 yes votes and one abstention.

4) Adjournment

Carmen Bianco took a moment to thank Hal Myers and Barb Myers for their great leadership, tireless work, and dedication to their volunteer positions. The rest of the Board joined in Carmen's thanks.

The meeting was adjourned at 7:56 p.m. on a motion by Kevin Burd, seconded by Pat Wilmsen, and passed.

The next regular meeting will be held Tuesday, September 20, 2022, at 6:30 p.m.

This meeting was recorded and will be available on the MGCA website for one month.

Attachments:

PowerPoint presentation including agenda and motions

Secretary

Chairman