

**UPPER MERION MUNICIPAL UTILITY AUTHORITY
(UMMUA)
January 6, 2014**

The members of the Upper Merion Municipal Utility Authority assembled for a special finance meeting on Monday, January 6, 2014 at Upper Merion Township, 175 West Valley Forge Road, King of Prussia, PA. The meeting convened at 5:00 p.m.

PLEDGE OF ALLEGIANCE

ATTENDANCE

Edward Veneziale, Chairman
Stanley Channick, Vice-Chairman
Charles Smyrk, Secretary
James Ruddy, Treasurer
Gian Singla, Assistant Secretary/Assistant Treasurer
Steven A. Hann, Principal, Solicitor, Hamburg, Rubin, Mullin, Maxwell & Lupin
Fred Ciotonni, P.E., Consulting Engineer, S C Engineers, Inc.
Carole Kenney, Supervisors' Liaison
David G. Kraynik, Executive Secretary
Edward J. O'Brien, Jr., Director of Public Works
Nicholas Hiriak, Director of Finance

CHAIRMAN

CAPITAL BUDGET FINANCES FOR 2014 (REVIEW)

- Review capital project needs.
- Review capital budgetary needs.
- Assess the revenue intake.
- Identify revenue options.
- Bring a recommendation to the Board of Supervisors.

FINANCE DIRECTOR'S REPORT

The Finance Director presented the information below for review:

- Sewer Rate Comparison:
 - Whitpain Township (*S C Engineers, Inc.*)
 - Residential Users
 - Commercial Users
- Upper Merion Township:
 - Utility Authority
 - 2014 Budget

FINANCE DIRECTOR'S REPORT (CONT'D)

- Upper Merion Municipal Utility Authority:
 - Projected Revenue
 - Plan Approved no Building Permit Issued
 - Plan Approval Pending
 - Plan Proposed
 - Under Construction
- Upper Merion Municipal Utility Authority:
 - Capital Budget Program
 - 2014-2018
- Upper Merion Township:
 - Upper Merion Municipal Utility Authority
 - General Obligation Bonds, Series 2009A
(Debt Service Schedule)
- Upper Merion Township:
 - Upper Merion Municipal Utility Authority
 - General Obligation Bonds, Series 2010
(Debt Service Schedule)
- Bank Balance
 - As of November 30, 2013
 - Budgeted Revenue Estimation 2013-2017
 - Budgeted Expense Estimation 2013-2017
 - Projected Revenue and Expense 2014-2017
- Realen Sewage Agreement and Realen Settlement Agreement
- Memo regarding transfer of funds from Sewer Operating Account to the UMMUA Accounts
- Draft Resolution Establishing Sewer Rates in Upper Merion Township

FINANCIAL DISCUSSION

SWEDELAND PUMP STATION UPGRADE PROJECT (BID EXTENSION)

Lenni Electric Corporation & Klipper Construction Associates, Inc. has agreed to extend their bid proposal for approximately 60 days.

SEWER RATES

Sewer rates were reviewed approximately three (3) years ago and found to be very competitive with the surrounding municipalities. Sewer rates have been kept low minimizing costs to the residents.

If the Authority continues to put capital projects on hold, the more expensive they will become.

The rate increases in the past ten (10) years have been very low. All UMMUA funding received was used to fund certain capital projects at that time.

FINANCIAL DISCUSSION (CONT'D)

The Authority has to submit a recommendation for a flat rate increase to the Board of Supervisors for approval. This will help fund UMMUA capital projects going forward.

A presentation given by Executive Secretary and Finance Director will be presented to the Board of Supervisors regarding a sewer rate increase to help fund existing capital projects.

The Authority will schedule a meeting and give a presentation regarding an additional sewer rate increase to the Board of Supervisors in February or March 2014.

ADJOURNMENT

There being no further business to come before the Authority, the meeting was adjourned.

DAVID G. KRAYNIK
EXECUTIVE SECRETARY