

The meeting of the Upper Pottsgrove Township Board of Commissioners was held via webcast utilizing Zoom software through the internet at 7:00 pm on Monday April 20, 2020 with Commissioners Trace Slinkerd, Renee Spaide, Martin Schreiber, Cathy Parette and Dave Waldt present. Also present were Township Manager Michelle Reddick, Township Solicitor Charles D. Garner, Jr., Police Chief James Fisher, Township Sewer Committee Chair John Bealer, Township Engineer Chris Pelka and Township Secretary Jeannie DiSante. Other participants of the meeting included Township Special Council Marc Feller and representatives and legal counsel from PFM and PA American Water.

OPENING COMMENTS – T. Slinkerd welcomed the Commissioners and Township staff along with the public who logged onto the live webcast. A slide was presented showing the structure for the night's meeting and he explained, everyone who wishes to comment will be given one time to speak. The Commissioners will have their time to deliberate together, discuss the work that has been put into this process and what they have looked toward accomplishing. The Board will then vote and if passed, will discuss the next steps. T. Slinkerd dispensed with the formality of a moment of silence and pledge to the flag and turned the meeting over to Solicitor Garner.

The Solicitor noted the Commissioners have a copy of the ordinance that has been advertised. The first ten paragraphs recite background and history of how the Township has gotten to this time and place and what has transpired over the past many months. The ordinance has seven substantive sections; Section 1 is approval of the sale by the Township as seller to the purchaser PA American Water, Section 2 authorizes the execution of Asset Purchase Agreement and other necessary documents associated with the agreement, Section 3 authorizes the Officers of the Township to sign any contracts related to the system itself, Section 4 authorizes the Officers of the Township to execute deed certifications or other instruments in connection with the closing, Section 5 provides for the use of the proceeds at the discretion of the Board which will be at a later time, Section 6 requires the Township to provide information to and cooperate with the purchaser PA American Water, Section 7 provides a general authorization to proceed with the transaction to allow the process to move forward with the PUC and other necessary processes in order to keep the transaction moving. Sections 8, 9 and 10 are standard sections in an ordinance dealing with severability of sections, a repeal of inconsistent ordinances and providing for an effective date of the ordinance adoption which would be tonight if the Board chooses to act. The ordinance has been advertised therefore, the Board is legally able to adopt the ordinance if they choose to do so.

Special Counsel Marc Feller reminded everyone the Asset Purchase Agreement (APA) was drafted with the understanding that they needed to have one document that the two bidders could bid on so that the bids would be comparable. This is a key document for the sale and purchase of the sewer system and was negotiated in advance with the two prospective bidders and attached to the requests for bids so that both had to bid on exactly the same agreement. The agreement took into account the fact that there would have to be minor technical adjustments to it after the winning bidder was selected, technicalities involving descriptions of certain assets that were being acquired and excluded and they have been in the process of making those adjustments.

The APA with the schedules attached set forth what assets are being acquired and what assets are not being acquired, the purchase price of the system and how that is going to be paid, it includes representations and warranties of both parties. From the Township's perspective the system is in good shape and functions properly and from the buyers perspective, that it has the authority and capability of purchasing and acquiring the system.

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The APA also includes items such as indemnification of both parties for losses that may result later on, it talks about certain costs associated with the transaction that are going to be allocated and shared such as the submission to the Public Utility Commission and upfront engineering costs. It also sets forth the transferring of easements by the Township to the purchaser. The 52 page document goes into great detail.

T. Slinkerd asked for a motion on the Ordinance. R. Spaide made a motion to adopt the Ordinance authorizing the execution of the Asset Purchase Agreement, APA, with PA American Water for the sale and transfer of Upper Pottsgrove Township's sanitary sewer system and further authorizes the Township officials to take all the actions incidental to effectuate the transaction, D. Waldt second the motion. M. Schreiber asked the question, what is the selling price and is it without a rate freeze? Special Counsel M. Feller answered \$13,750,000.00 and yes.

The public was invited to comment and there were numerous comments both for and against voting on the sale of the Township sewer system at this meeting.

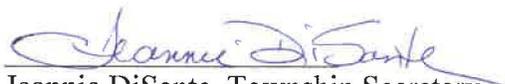
The Commissioners deliberated on many aspects of the proposed sale. M. Schreiber made a motion to table the issue until the June 15, 2020 Board of Commissioners meeting. T. Slinkerd asked for a second. There being no second on the motion by M. Schreiber, the motion fails.

T. Slinkerd asked for a rollcall vote on the motion to adopt the Ordinance. C. Paretti – aye, D. Waldt – aye, M. Schreiber – nay, R. Spaide – aye, T. Slinkerd – aye. The motion passes 4-1.

T. Slinkerd expressed his appreciation to everyone who worked so hard on making this happen. In the coming days the parties will talk about the next steps in moving forward.

ADJOURNMENT – The meeting was adjourned at 8:11 pm

Respectfully submitted,


Jeannie DiSante, Township Secretary