

Pennsylvania Economic Development Financing Authority
September 15, 2010

A meeting of the Pennsylvania Development Financing Authority (PEDFA) was held on September 15, 2010 after proper notice was given pursuant to the terms of the Act of July 3, 1986 (The "Sunshine Act"). The meeting was held in PUC Hearing Room #4, Commonwealth Keystone Building, 400 North Street, Harrisburg, Pennsylvania at 11:00 a.m.

The following Board Members were present: Stephen Drizos, Kevin Pyle, for the Honorable Steven Kaplan and Patrick Beaty, for the Honorable Sandi Vito.

The following Board Members were present by telephone: Jared Grissinger, for the Honorable Russell Redding; George Komelasky; Allan Dabrow; Mark Schneider; Helen Billak; Nick Haden; Fred Rinaldi; Timothy Johnson; David Washburn and William Brucker.

The following DCED staff were present; Carol Longwell, Esq., Office of Chief Counsel; Craig Petrasic, Center for Private Financing; Brian Deamer, Center for Private Financing and Melanie Clark, Center for Private Financing.

Mr. Drizos called the meeting to order at 11.00.

It was moved by Mr. Beaty and seconded by Mr. Washburn that the Board approve the Minutes of July 21, 2010. The motion carried.

AQUA PENNSYLVANIA, INCORPORATED PROJECT

Mr. Petrasic stated, "The Aqua Pennsylvania, Incorporated application is sponsored by the Chester County Industrial Development Authority. Aqua PA is headquartered in Bryn Mawr, Pennsylvania. The project site consists of various sites throughout the state.

Aqua Pennsylvania, Incorporated is a for-profit provider of water and water treatment services.

The project consists of the current refunding of funds previously borrowed by Aqua Pennsylvania, Incorporated, to finance the Project Facilities through issuance by the Delaware County Industrial Development Authority of its Water Facilities Revenue Bonds (Philadelphia Suburban Water Company Project) Series of 1999, in the aggregate principal amount of \$25 million dollars and through a bond issuance by the Mercer County Industrial Development Authority of its Water Facilities Revenue Bonds, Series of 2000 (Consumers Pennsylvania Water Company-Shenango Valley Division Project), in the aggregate principal amount of \$18,360,000.

Aqua also proposes to finance certain capital costs of: the construction, acquisition, and installation of modifications, expansions, and replacements of Aqua's water distribution, treatment and related operating systems, including, but not limited to, water lines and meters; equipment related to water treatment and quality, flow control, testing and monitoring; water mains; pumping and purification equipment at water treatment facilities; booster stations; wells; dams; buildings and structures; and other capital projects functionally related and subordinate to such facilities that are or will be located in Bucks, Chester, Delaware, Mercer, Montgomery and Warren Counties.

If approved by the Board we would recommend the following PEDFA Tax Exempt Bond Issues:

Water Facilities Revenue Refunding Bonds (Aqua Pennsylvania, Inc. Project), Series A of 2010 in an amount not to exceed \$43,360,000; and

Water Facilities Revenue Bonds (Aqua Pennsylvania, Inc. Project), Series B of 2010 in an amount not to exceed \$100,000,000.

There are several people on the phone representing the project: Diane Moy Kelly, Aqua PA; Bill Rhodes, Ballard Spahr; and George Werner and Lou Petroni, representing Jefferies and Company.”

Mr. Werner stated “Craig did a very good summary of the project including the six counties that are looking to undergo capital improvements. We met with Chester County and reviewed the project and they approved the project.”

It was moved by Mr. Beaty and seconded by Mr. Washburn that the Board approve Aqua Pennsylvania, Incorporated PEDFA Tax Exempt Bond Issues, Water Facilities Revenue Refunding Bonds, Series A of 2010 in an amount not to exceed \$43,360,000; and Water Facilities Revenue Bonds, Series B of 2010 in an amount not to exceed \$100,000,000. The motion carried.

GAUDENZIA, INCORPORATED PROJECT

Mr. Petrasic stated, “The next project is Gaudenzia, Incorporated and Gaudenzia Foundation, Incorporated, sponsored by the Montgomery County Industrial Development Authority.

The project sites are located in Chester, Cumberland, Erie, Lancaster, Philadelphia and Montgomery Counties.

Gaudenzia is a non-profit 501 (c)(3) organization that provides comprehensive outpatient and residential substance abuse, treatment and prevention services. Gaudenzia operates over 100 different programs with approximately 1,100 staff located in Pennsylvania, Delaware and Maryland.

The current project consists of the refinancing of the existing tax-exempt debt previously issued in 1999 by the Montgomery County Industrial Development Authority in the outstanding amount of \$2,060,000; refinance taxable debt in the amount of \$6,500,000; and finance various capital expenditures to facilities located in Chester, Cumberland, Dauphin, Erie, Lancaster, Philadelphia and Montgomery Counties.

If approved by the Board we would recommend a PEDFA Tax-Exempt Bond Issue in an amount not to exceed \$10,500,000.

There are people present and on the phone representing the project: Michael Moyle, Gaudenzia; Allison Levy and Robert Archie, Duane Morris, which is acting as bond counsel; and Jerry Birkelbach with the Montgomery County Industrial Development Authority.”

Mr. Moyle stated, “I am with Gaudenzia. I think the project description was covered very well. Gaudenzia is the largest provider of the drug and alcohol treatment services in the state of Pennsylvania. We have about 14,000 admissions a year and 1,400 residential beds and have been expanding since 1998. Part of this is some of that expansion.”

It was moved by Mr. Dabrow and seconded by Mr. Beaty that the Board approve Gaudenzia, Incorporated, for a PEDFA Tax-Exempt Bond Issue in an amount not to exceed \$10,500,000. The motion carried.

REPUBLIC SERVICES INCORPORATED

Mr. Petrasic stated “The next project is Republic Services, Incorporated and the sponsor is the York County Development Authority.

The project sites are located in New Morgan Borough in Berks County and Yoe Borough in York County.

Republic Services, Incorporated is a leading provider of solid waste collection, transfer, recycling and disposal services.

The current refunding of the New Morgan Industrial Development Authority Solid Waste Disposal Revenue Bonds, Series 1994, in the original principal amount of \$35,000,000; and the current refunding of the Pennsylvania Economic Development Financing Authority Solid Waste Disposal Revenue Bonds, Series 2005, in the original principal amount of \$17,500,000.

If approved by the Board we would recommend a PEDFA Tax-Exempt Bond Issue in an amount not to exceed \$52,500,000.

Ed Lang, Treasurer of Public Services; Donna Kreiser, McNees Wallace and Nurick, as well as David Hospodar, Bank of America Merrill Lynch are on the phone.”

Mr. Lang stated, “The basic intent of these refundings is to simplify the administrative process.”

It was moved by Mr. Dabrow and seconded by Mr. Pyle that the Board approve Republic Services, Incorporated a PEDFA Tax-Exempt Bond Issue in an amount not to exceed \$52,500,000. The motion carried.

NEW BUSINESS

None

ADJOURNMENT

It was moved by Mr. Beaty and seconded by Mr. Pyle that the Board adjourn.