

MANHEIM AREA WATER & SEWER AUTHORITY: January 12, 2017

As amended at the February 9, 2017 Meeting

- I. Call to Order/Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at 7:03PM.

Roll Call: Chairman Robert Miller, Vice Chairman Wade Baker, Secretary Paul Shaffer, Treasurer Joe Ardini, and member Andrew Nelson

Absent: Assistant Secretary/Treasurer Jeffrey Sweater, and Member Charlie Heisey

Staff: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Water Operator Nicole Bushong

Engineering: Brian Book, P.E. - Rettew Associates

II. Reorganization

a. Chair

- A Motion was made by Mr. Baker to nominate Mr. Miller to the office of Chair, second by Mr. P. Shaffer. Mr. Miller accepted the nomination; Motion passed unanimously

b. Vice Chair

- Mr. Miller made a Motion to nominate Mr. Baker to the office of Vice Chair, second by Mr. Ardini. Motion passed unanimously.

c. Secretary

- Mr. Baker made a Motion to nominate Mr. P. Shaffer to the office of Secretary, second by Mr. Ardini. Motion passed unanimously.

d. Treasurer

- Mr. Baker made a Motion to nominate Mr. Ardini to the office of Treasurer, second by Mr. P. Shaffer. Motion passed unanimously.

e. Assistant Secretary/Treasurer

- Mr. Ardini made a Motion to nominate Mr. Sweater to the office of Assistant Secretary/Treasurer, second by Mr. Baker. Motion passed unanimously.

- Mr. Ardini moved to close the nominations and elect the slate of officers, second by Baker. Motion passed unanimously.

f. Committees

1. Finance Committee: Bob Miller, Joe Ardini, and Jeff Sweater
2. Employment/Personnel Committee: Paul Shaffer, Wade Baker, and Andrew Nelson
3. Property Committee: Bob Miller, Wade Baker, Charles Heisey
4. Strategic Planning/Projects/Technology/Biosolids Committee: Joe Ardini, Jeffrey Sweater, Charlie Heisey, and Community Volunteer Barbara Horst
5. Source Water Protection: Jeffrey Sweater and Paul Shaffer

- g. Bank Signers: The board concurred that the bank signers will be; Robert Miller, Joe Ardini, Wade Baker, and Jeffrey Sweater.

III. Visitors: No visitors were present.

IV. Approval of Minutes: December 8, 2016

- Mr. Ardini moved to approve the Minutes of December 8, 2016 as presented, second by Mr. P. Shaffer. Motion passed unanimously.

V. Reports

a. Engineering

1. Mr. Brian Book introduced himself. He is looking forward to increasing the quality of service.
2. Biosolids: The final draft evaluation will be reviewed by staff, and merged into a summary for the board to review.
3. Penn Towne Center Phase II Letter of Credit Reduction Request

- Mr. Baker moved to approve the Penn Towne Center Phase II Letter of Credit Reduction Request for \$50,882 leaving a remaining balance of \$1,500 from the original balance of \$52,382.00, second by Mr. P. Shaffer. Motion passed unanimously.

b. Management & Operations Report

c. Pennsylvania 8-1-1: MAWSA had a 100% response rate to PA One Calls in 2016.

d. Lakeview Bible Church: MOU, permit, and escrow deposit received. Drawing for extension and determination of meter size and meter pit designation are needed at this point.

e. Water Treatment Plant: Ms. Bushong offered to give tours of the WTP to the board members.

1. Mr. T. Shaffer reported an 11.46% water loss for 2016. SRBC recommends 20%, and an internal goal is 10%. Mr. Baker commended staff over bringing water loss down from over 50% over the past few years.

- Main breaks are the cause of the increase from the previously reported 5% water loss average. Mr. Getz confirmed that the well pumps are ramped down due to the tightening up of the system. Mr. T. Shaffer concurred, indicating that it is also less wear and tear on the pumps.

f. 1205 Lancaster Road: Mr. Ardini would like confirmation of the positioning of the hydrant installed at Phase I of Penn Towne Center. If it is the Authority's, it will need to be rotated.

g. Wastewater Treatment Plant: Mr. T. Shaffer reported that the WWTP mixer is broken, and is a critical component of operations. It is over \$5K, and will be a capital expense.

h. Hauled Waste: The hauled waste program finished over budget. The program subsidizes the cost of operations to help maintain customer rates.

VI. Financials

a. Mr. Baker indicated that he has the hope that the board would work collectively to manage the debt that has existed since before any of the board members were members. It was noted that having a capital budget will assist with that. Mr. Book shared that the model in the 70's and 80's was to show poor financial status to obtain grants. Only after that system changed did administrations turn to a business model.

b. Financial Report

1. Capital Policy: Mr. Miller reported that Ms. Tobias and Mr. Shaffer presented an idea regarding the Capital Policy to the Finance Committee that seems promising.
 - Water Account Balance: \$657,673.41
 - Wastewater Account Balance \$1,659,505.71

- Escrow Account Balance \$21,124.69
- Water Total Income: \$123,987.33
- Water Total Expense: \$99,237.30
- Water Net Income: \$24,862.03
- Water Year End Budget vs. Actual: total income 1.3% over budget
- Water Expenses: Under budget by 10%
- Wastewater Total Income: \$278,176.94
- Wastewater Total Expense: \$100,866.36
- Wastewater Net Ordinary Income: \$177,310.58
- Wastewater Year End Budget vs. Actual
- Wastewater Income 4.8% over budget
- Wastewater Expense 5.6% under budget
- Mr. T. Shaffer indicated that MAWSA retired over \$1.1 million in debt without a rate increase.
- The board concurred on the Treasurer's Report

VII. Vouchers

- Mr. Ardini made a Motion to authorize payment of vouchers for \$105,742.52 (water \$37,796.52; wastewater \$67,946.00); ratify payments made prior to the meeting for \$34,064.29 (water \$11,342.53; wastewater \$22,721.76); and approve payment of vouchers received after the meeting reports were run for \$13,749.81 (water \$3,141.27; wastewater \$10,608.54), second by Baker. Motion passed unanimously.

VIII. New Business

- a. Resolution 2-2017: Fee Schedule Revision: An 8" service line fee was added to the schedule.
 - Mr. Ardini made a Motion to approve Resolution 2-2017, second by Mr. P. Shaffer. Motion passed unanimously.
- b. Staff Training: Mr. T. Shaffer is working with the engineers to grow and elevate the staff by having the staff remit goals, and utilizing the engineers' skills to enhance staff education.

IX. Old Business: No items were presented.

X. Unregistered Visitor Comment Period: No visitors were present.

XI. Announcements

- a. Board member training is available through PMAA on March 15, in Camp Hill, PA.

XII. Executive Session

- Mr. Baker made a Motion to recess to Executive Session at 8:35PM to discuss personnel matters, second by Mr. P. Shaffer. Motion passed unanimously.
- Mr. Baker made a Motion to return from Executive Session at 8:50PM from discussing personnel matters, second by Mr. P. Shaffer. Motion passed unanimously.

XIII. Adjournment

- Mr. Baker made a Motion to adjourn the meeting at 8:51PM, second by Mr. Ardini. Motion passed unanimously.

MAWSA: Minutes of January 12, 2017
Respectfully Submitted: Candace L. Hoover, Recording Secretary

MANHEIM AREA WATER & SEWER AUTHORITY: February 9, 2017

I. Call to Order/Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at

Roll Call: Chairman Robert Miller, Vice Chairman Wade Baker, Secretary Paul Shaffer, Treasurer Joe Ardini, Assistant Secretary/Treasurer Jeffrey Sweater, and Members Charlie Heisey and Andrew Nelson

Staff: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Water Operator Nicole Bushong

Engineering: Brian Book, P.E. - Rettew Associates

II. Visitors:

- a. Dan Wagner: Mr. Wagner is a fire chief with the Manheim Fire Company. He expressed that the fire department is in dire need of working hour fire fighters. It was requested that experienced fire fighters from MAWSA be allowed to assist during emergencies where there is a dire need, and if staff is not busy with other matters. If staff would participate, they would respond using the provided app. Historically, there are few calls during the day. Wagner is approaching all of the major businesses for assistance. The department tracks time and water use, and would submit the data to the Authority Manager. Staff members on calls can be brought back from a dispatch if a matter arises at the place of employment. Responding staff would be covered by the Fire Department's insurance. Mr. Baker requested that the board direct questions to Mr. Wagner, and that the board recess to Executive Session to discuss the personnel matters with the supervisors. Mr. Wagner also presented a proposal for a 30' by 30' concrete pad to put on the Authority's property for vehicle training for the fire department. Discussion was held on the environmental impact of the training area and what the regulations governing the authority would say regarding the matter.
- b. Jonathan Glick: Mr. Glick was present to discuss the Green Ridge Drive property again. He attempted to drill two wells, and neither was fruitful. Mr. T. Shaffer recapped this history of the location. The Township conducted a survey of the area, as there are 14 properties that would need to connect if a water line is run. The majority of the residents are not interested in connecting at this time. Subsequently, the development across the road is expanding. Mr. Book explained that a special purpose tapping fee could be imposed to cover the Authority's cost should the Authority run the line. The Authority was not opposed to having a water line run, but feel that it would be the Township's jurisdiction to enforce the mandatory connect that Mr. Glick would need if he entered as a developer with a tap reimbursement agreement. Mr. Sweater shared that the area may be on the Township's Act 537 Plan¹.

III. Approval of Minutes: January 12, 2017

- Mr. Ardini moved to approve the Minutes of January 12, 2017 as presented; second by Mr. Nelson. Motion passed unanimously.

¹ Act 537 Plan: Described by the Department of Environmental Protection as "a sewage facilities program" implemented "in order to help address existing sewage disposal needs, and to help prevent future problems through proper planning, permitting, and design of all types of sewage facilities"

IV. Reports

a. Engineering

1. Grants: DCED² requested a reduction of contingency from 15% to 5%. It does not indicate that there will be additional consideration for receiving the grant.
2. High Service Pump: Pump #1 is in, but beyond the substantial completion point. The contractor has been put on notice.
3. Chapter 110³ and Chapter 94⁴ Reports: Engineer and management have begun data compilation for both reports.
4. Hauled Waste: Engineering and Staff have reviewed the draft report, and will provide a report at the March board meeting.
5. Invoicing: Mr. Book has pulled the Authority invoices for December until it is reviewed and resubmitted. Discussion was held on the Authority's finances, and projecting into the future. Mr. Baker expressed his concern with the Authority's forecasted financial sustainability.
6. Penn DOT⁵: The DOT is resurfacing State Route 72. Manholes are within the project area, by which Penn DOT would pay for 75% of the cost if it were incorporated in their project.

- Mr. Baker moved to approve Resolution 3-2017 to authorize the submission of the Penn DOT proposal for a 75% reimbursement for Stater Route 72, Section 052, and authorize the approval of the Utility Reimbursement Agreement for the Authority's portion of 25%, and authorize Mr. Miller as the signer; second by Mr. Sweater. Motion passed unanimously.

b. Operations and Management:

1. Leaks: A large leak was repaired on South Main Street.
 - Discussion was held on how water loss is tracked and leaks determined.
2. Lakeview Bible Church: Drawings were received this week and will be submitted to engineering.
3. Hauled Waste: MAWSA is still operating on an old permit, awaiting a new permit from DEP⁶. The details of the new permit are unknown.
4. Belt Filter Press: Ideas for the press have been discussed, and will be part of the presentation in March.
 - Auger: Discussion was held on installing a new set of augers on the pug mill, and whether or not a titanium coating would extend its life expectancy.

V. Financials

- a. Utility Billing: Mrs. Hoover reviewed her report; highlighting the trends of accounts receivable, delinquent balances, and days of sales outstanding.
- b. Capital Assets Policy: Staff's draft policy has been reviewed by an auditing firm, and the Authority Solicitor. Mr. T. Shaffer indicated that staff has been working to drill down on operational expenses, receivables, and revenue sources to pull together a solid capital policy. Once all of these items are vetted, he believes a rate study would be in order.

- Mr. Sweater moved to approve the Capital Policy as presented; second by Mr. Heisey.
 - Discussion was held on the purpose of depreciation for the balance sheets and how future projects would be financed by having a capital policy in place.
 - Motion passed unanimously.

² DCED: Pennsylvania Department of Community Economic Development

³ Chapter 110 Report: Department of Environmental Protection's Water Withdrawal and Use Registration

⁴ Chapter 94 Report: Department of Environmental Protection's Waste Load Management Report

⁵ Penn DOT: Pennsylvania Department of Transportation

⁶ DEP: Pennsylvania Department of Environmental Protection

c. Financial Report

1. Capital Policy: Mr. Miller reported that Ms. Tobias and Mr. Shaffer presented an idea regarding the Capital Policy to the Finance Committee that seems promising.
2. Revenue and Expense Reports: Mr. Baker expressed that he would like to hear about non-traditional monthly expenses. Mr. Ardini pointed out that there were two such items on the water side; a camera purchase and the purchase of Seaquest. The Seaquest purchase is annual.
 - Water Account Balance: \$679,287.53
 - Wastewater Account Balance: \$1,861,820.87
 - Escrow Account Balance: \$21,700.19
 - Water Total Income: \$185,324.64
 - Water Total Expense: \$73,936.78
 - Water Net Ordinary Income: \$111,387.86
 - Water Expenses: Expenses are under by about 2%
 - Wastewater Total Income: \$222,521.68
 - Wastewater Total Expense: \$110,477.91
 - Wastewater Net Ordinary Income: \$112,043.77
 - Wastewater Expenses: January ended at approximately 4.6%
 - The board concurred on the Treasurer's Report

d. Vouchers

- Mr. Baker made a motion to authorize payment for vouchers needing approval for \$68,754.69 (\$24,166.43 water; \$44,588.26 wastewater) and ratify payment of vouchers made prior to the meeting for \$16,220.29 (\$6,213.05 water; \$10,007.24 wastewater); second by Mr. Ardini. Motion passed unanimously.
- Mr. Baker moved to authorize payment of the invoices received after reports ran for \$14,221.96 (\$3,561.07 water; \$10,660.89 wastewater); second by Mr. P. Shaffer. Motion passed unanimously.

e. Check Signing and Bylaws: Ms. Tobias confirmed that the bylaws state that the Chair, Vice Chair, Treasurer, and Assistant Treasurer are the only members that should have signing authorization.

- Mr. Sweater moved to redact the January Minutes agreement for the bank signers to be Mr. Miller, Mr. P. Shaffer, Mr. T. Shaffer, and Ms. Tobias, as the action is not in accordance with the Authority's current bylaws; whereby it is stated that the Chair and Treasurer will be the signers, and the Vice Chair and Assistant Treasurer may sign in the event their counterparts are unable to do so; the signers will be as per the current bylaws, and the bylaws will hereby be amended to include the existing crime policy coverage for board members and employees; second by Mr. Nelson. Motion passed unanimously.

VI. New Business: No items were presented.

VII. Old Business

- a. Debt: Mr. Baker requested that the board members receive a copy of the Authority's summary of outstanding debt. He would like for the board to think outside of the box to determine if the outstanding debt can be paid off faster.

VIII. Unregistered Visitor Comment Period: No unregistered visitors were present.

IX. Announcements

- a. Board member training is available through PMAA on March 15, in Camp Hill, PA.

X. Executive Session

- Mr. Baker moved to recess to Executive Session to discuss personnel matters at 10:00PM; second by Mr. P. Shaffer. Motion passed unanimously.
- Mr. Baker moved to return from Executive Session from discussion of personnel matters at 10:16PM; second by Mr. P. Shaffer. Motion passed unanimously.
- Mr. Baker moved to allow employees to utilize up to 40 hours per year, paid, for volunteer fire service for Manheim Fire Company. Any time used for other fire services would be counted for in the 40 hours but would be unpaid. The decision for the employee to leave work for a fire call is at the discretion of the Supervisor; second by Mr. Nelson. Motion passed unanimously.

XI. Adjournment

- Mr. Sweater moved to adjourn at 10:20PM; second by Mr. Baker. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover

Candace L. Hoover, Billing Administrator

MANHEIM AREA WATER & SEWER AUTHORITY: March 9, 2017

I. Call to Order/ Pledge of Allegiance: Mr. Miller convened the meeting at 7:11 PM.

Roll Call: Chairman Robert Miller, Vice Chairman Wade Baker, Secretary Paul Shaffer, Treasurer Joe Ardini, and Members Charlie Heisey and Andrew Nelson

Staff: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Water Operator Nicole Bushong, Technician Lindsey Uhlig

Absent: Assistant Secretary/Treasurer Jeffrey Sweater

Engineering: Brian Book, P. E. – Rettew Associates

II. Registered Visitors

a. Mr. Miller opened the floor for Mr. Benjamin Lescavage of 148 South Main Street to speak. Mr. Lescavage stated that he did not have anything to add. (See Sections IV-b-1 and V-b.)

III. Approval of Minutes – February 9, 2017

➤ Mr. Ardini moved to approve the Minutes of February 9, 2017 as presented; second by Mr. Nelson. Motion passed unanimously.

IV. Report

a. Engineering: (See attached.)

1. Chapter 94 Report: Mr. Book presented two supplements to the engineer's report, one relating to the Chapter 94 Report¹, (attached). He explained that the report is a review report for DEP² used as a projection tool based on the data in the Act 537 Plan³, pertaining to flow and loading. The Chapter 94 Report contains the last five years' worth of influent data, and projects the next five years. In total, the plant's flow continues to operate well below its flow rating, but exceeded the loading (BOD⁴) twice during the last year's monitoring period. Both digesters were cleaned at that time causing an imprecision in the methodology, which may make the excess levels negligible. It is possible that a corrective action plan will be required, or the imposition of a fine, or a moratorium on new connections; although self-imposed, internal, corrective actions such as; the prevention of back-to-back digester cleanouts, and new management policies may lessen possible actions.
2. Biosolids Processing Evaluation & Feasibility Study: (See attached summary.) Mr. Book reported that the Biosolids processing program is key to management's goal to preserve the rates of the Authority's constituents. The comprehensive review is to determine if improvements could improve margins and prepare the program for the future, while evaluating the condition and need of maintenance and/or replacement of equipment. Lime post treatment and anaerobic digestion (for methane capture and use) were both reviewed as part of the process, the cost difference being approximately \$6.5 Million. In pursuing the less costly option of lime, post treatment, the belt filter press will need to be rebuilt. The pug mill and conveyor systems will need to be modified/refurbished at some point if there is a desire to increase the

¹Chapter 94 Report: - A wastewater plant influent related report required by DEP

²DEP: Pennsylvania Department of Environmental Protection

³Act 537 Plan: Comprehensive municipal sewage management plan

⁴BOD: Biochemical Oxygen Demand

hauled waste program and its revenues. For immediate needs, would be the refurbishment of the belt filter press. The other items could be scheduled for completion within a 5-10 year period. A full report will be presented at the April meeting. Mr. Getz explained the additional costs involved with pursuing a new belt filter press for reasons such as; increased flow, which would require new pumps. This affects other operational items such as the belt size, pug mill upgrades, and pump upgrades. It would also affect the offload area. Mr. T. Shaffer's recommendation is to refurbish the belt filter press as soon as possible for longevity and cost effectiveness. Mr. Nelson shared that during his tour of the facilities, he witnessed the exasperated condition of the press. Due to the potential costs involved, there was discussion on whether a decision needed to be made this month based on the summary requested in January, or if the board could hear the full, final, report and make a decision on the belt filter press at the next meeting. Mr. Miller confirmed that it would be feasible to wait until the final report is made to proceed with refurbishing or replacing the belt filter press. In addition, Mr. Ardini recommended speaking with the Authority Solicitor regarding whether or not a refurbishment would be considered operations and maintenance, or a capital expense. Mr. T. Shaffer will check with the Solicitor.

3. 2016 Engineering Invoice Review: Mr. Book reviewed the 2016 invoices. Approximately \$260K was billed over the course of the year, while the Authority had budgeted just shy of \$100K. Services such as data logging downloads and consultation visits were billed. Mr. Book feels that Rettew missed the mark in serving the Authority as some of the billed items could have been taught to the Authority so that staff may complete those tasks. He feels that the Authority should be looking at a lump sum of \$150 per month for the meetings, with everything else starting with a written contract with a predetermined cost. With December's invoices totaling about \$9,900, Mr. Book is reissuing those invoice at a total cost of about \$1,500. January and February statements will be revised and resubmitted to Mr. T. Shaffer, who will work with Mr. Book over the next month or so, and make a recommendation to the board on what they should, or should not do pertaining to engineering.

Mr. Lescavage excused himself at 8:12PM.

b. Management and Operations Report:

1. Registered Visitor: Mr. T. Shaffer reviewed Mr. Lescavage's request to convert 154 South Main Street from a one unit into a two unit with a payment plan for the tapping fees. The request includes a waiver of the separate service line and curb stop requirements of the Authority Rules and Regulations, Sections 113 and 118. Management denied the request for a waiver of the separate water service line and curb stop installation. The board concurred to uphold the rules and regulations regarding the separate service line.
2. Lake View Bible Church: The church is connecting this week as a new water customer. They financed their water connection fees.
3. Wastewater Treatment Plant: The Nitrogen levels jumped due to the rapid weather changes.
4. Dry Tons: DEP has stated that MAWSA exceeded its dry ton limit last year. During the significant snow that year, tons were padded, because they could not be spread. Material Matters is working on a response to explain the warehousing of the sludge, which caused the inventory growth. (Material Matters is a specialty consultant specialist that deals specifically with Biosolids.)
5. Weir Gate: The gearbox on the weir gate experienced a mechanical failure. It stripped and fell into the splitter box, which started an unwanted discharge. Approximately 1,800 gallons were spilled, but contained. DEP was contacted, and inspected the property, and will follow up with a non-compliance letter. A new actuator unit has been purchased, and the gate has been chained as a temporary measure. Additional preventative measures are being taken to limit the mobility of the gates, as they should have been designed to have a drop limit.
6. Human Resources: Mr. T. Shaffer explained that Lindsey Uhlig has been a valuable member of the team, has met her 180-day evaluation, and he recommends her to the board for permanent status.

- Mr. Baker moved to approve Ms. Uhlig’s permanent status; second by Mr. Ardini. Motion passed unanimously.
 - i. Lindsey expressed her gratitude for working here and values her team before excusing herself at 8:26PM.
 - ii. Ms. Tobias reported that Ms. Amy Bell started as the new administrative assistant in February.

V. Financial Reports

- a. **Capital Funds Recommendation:** Ms. Tobias reviewed the origins of the capital policy, which is designed to separate operations and maintenance costs from capital expenditures. The separation of funds and accounts will help the board to see actual cash on hand versus cash for current and future projects. The consultant hired from Trout, Ebersole, and Groff, LLP recommended keeping four months of operational and maintenance expenses and debt service aside, and utilizing the remainder to fund the capital account. (The GFOA⁵ recommends 3 months in reserve.) Mr. T. Shaffer shared that the new policy mirrors the intent of the Municipal Authority’s Act. Mr. Ardini added that by waiting until February to do a rollover from the general fund account to a capital account, staff can be given an opportunity to finalize the evaluation of the prior year and determine what funds are left over based on the recommended retainer. Most authorities do a one-time per year rollover, but can do so more often. Mr. Baker shared that for quite some time the board has been putting out fires. He is excited that the Authority has come this far. The recommendation is to initially fund the water capital account with \$270,200 and initially fund the wastewater capital account with \$370,800. Finance Committee has recommended the inclusion of a clause to maintain a capital reserve baseline. If approved, the baseline for the water capital budget and account will be \$143,100, and the baseline for the wastewater capital budget and account will be \$228,100.
- Mr. P. Shaffer moved to approve the capital policy and capital fund amounts and limits; second by Mr. Nelson. Motion passed unanimously.
- Mr. Ardini moved to authorize the movement of funds from general to capital as presented; second by Mr. P. Shaffer. Motion passed unanimously.
- b. **Registered Visitor:** Mr. Lescavage returned to discuss splitting the residence at 154 South Main Street from one unit into two unit with a shared curb stop. He indicated that when the rules and regulations were written the billing statements were in the tenants’ names. At present the additional cost for a separate line and sidewalk repairs are excessive, and the billing statements are now always in the property owner’s name. Mr. T. Shaffer reviewed the rules and regulations regarding separate connections for each unit explaining that water and sewer charges are lienable, as are taxable items. Mr. Lescavage acknowledged the information stating that he understands that ultimately, the responsibility is and was the property owner’s. Mr. Nelson expressed that he does not see a hardship presented in Mr. Lescavage’s appeal. Mr. Miller stated that a deviation from the rules and regulations would open the door to future deviations. The board concurred to continue to uphold the requirement for an additional curb stop.

VI. Financial Reports

- a. **Accounts Receivable:** Ms. Hoover reported that the cash owed to the Authority increased with the short month in February, but a mid-March report shows that these funds have already been recouped.

⁵GFOA: Government Finance Officers Agency

- b. Mr. Ardini reported that the Finance Committee met to review the reports and vouchers earlier this evening, and concur with the reports. Ms. Tobias will be tasked with future financial report presentations.
 - 1. Cash Available Report: Ms. Tobias reported that increased revenue is holding steady even after bill and debt service payment.
 - 2. Water Accounts Payable: Discussion was held regarding the Utility Service Company contract for tank maintenance.
 - 3. Wastewater Accounts Payable: No questions were presented.
 - 4. Checks Issued Prior to Meeting: Includes the semi-annual debt payment and utilities to the sum of approximately \$200K.
 - 5. Water & Sewer Revenue & Expense Reports: The low net incomes present are due to the debt service payments that were made; however, those have been made up for already thus far in March. In total, the month tracked over in income and under in expenses.
 - i. Water Total Income: \$101,985.38
 - ii. Water Total Expense: \$84,868.10
 - iii. Water Net Ordinary Income: \$17,117.28
 - iv. Wastewater Total Income: \$223,914.54
 - v. Wastewater Total Expense: \$253,974.64
 - vi. Wastewater Net Ordinary Income: (-\$30,060.10)
 - 6. Bank Account Balances
 - i. Water: \$616,155.65
 - ii. Wastewater: \$1,911,565.91
 - iii. Escrow: \$25,700.19
 - 7. Mr. Ardini reported that the Finance Committee recommends the financial reports for approval.
- Mr. Baker moved to approve the financial reports; second by Mr. Nelson. Motion passed unanimously.
- c. Vouchers
 - Mr. Ardini moved to ratify payments made prior to the meeting for \$207,764.59 (\$29,878.66 water and \$177,885.93 wastewater), to approve payment of the vouchers for \$101,803.60 (\$51,658.55 water and \$50,145.05 wastewater), and to authorize payment of the vouchers received after the monthly meeting reports were run for \$620.21 (\$73.79 water and \$546.42 wastewater; second by Mr. Heisey. Motion passed unanimously.

VII. New Business

- a. Employment Status: (See Section IV-b-6 through IV-b-6-ii)
- b. Penn Towne Center Phase 3 – Addendum 2: The agreement amendment for Phase 3 of the Penn Towne Center was presented by Mr. T. Shaffer. He recommends the approval of the agreement as submitted by the Solicitor. The board concurred.
- c. Amendment to Bylaws Announcement: Mr. P. Shaffer announced that it is the intent to amend bylaws regarding check signatures, which allows generated checks to be signed by a combination of two of; the Chair, Vice Chair, Treasurer, or Assistant Treasurer. In the event that a counter signature cannot be obtained from a board member, the Manager will sign on behalf of the Authority. Additionally, the crime policy will be amended to illustrate the Authority's current practice, which is the insuring of all Authority employees and Board Members.
 - 1. A signed letter from Secretary P. Shaffer was remitted to the attending board members regarding the bylaws amendment.
 - 2. It was clarified that both Mr. T. Shaffer and Ms. Tobias are bonded.

VIII. Old Business

- a. Current Debt Obligations: The figures presented in the debt summary sheet (see attached) illustrate a worst-case interest scenario of interest rates from beginning to end. In column 9, it is

illustrated that the total amount being paid year to year by the Authority remains the same total debt payment. The comprehensive review of the Authority's debt, the water's debt will conclude its debt in 2025. Mr. Miller added that the fixed rates that end in 2018 and 2019, which is where the numbers reflect the worst-case scenario of the interest cap.

1. Mr. T. Shaffer reported that what fueled the discussion on the existing debt was to educate the new and current board members of the Authority's position in conjunction with the capital policy, and to review of the management of the overall financial health of the Authority. It helps to complete the picture of structuring rates into operations and maintenance versus capital as well.
2. Mr. Nelson confirmed that the payoff listed of 12 years is for the Authority's total debt, which is founded on the rate structure presently in place.
3. Mr. Miller stated that at the end of 2022 the wastewater debt would be harder for the wastewater to pay. The Authority has these few years between to determine if refinancing or a rate increase would be the solution to affording those future increased debt payments. The Authority financial adviser would like to do an RFP⁶ for restructuring or refinancing the authority's debt at no cost unless the Authority finds something they are interested in doing.

➤ Mr. Ardini moved to approve the engagement of PFM Financial Advisors LLC for Mr. Jamie Schlesinger to issue RFPs for the Authority's debt; second by Mr. Baker. Motion passed unanimously.

4. Mr. Miller indicated that other than the ramp up of sewer debt, the overall outlook of the financial health of the Authority is positive.

- b. Sunshine Law: Mr. Miller wanted to clarify the discussion held last month regarding the Executive Session for employee matters, he noted that the actual policy was made in the regular session of the meeting, and requested the board's vigilance in adhering to the law.
- c. Financial Health: Mr. Baker shared about past finance planning and wanted to know where the other board members stood on their view of the Authority's overall debt/financial health. He would like the members to consider the market value of the Authority's rates as part of that view.
- d. Emergency Services Policy: The policy discussed at the February meeting was reviewed by the Solicitor and updated to include both fire and emergency medical services. (See attached.)

➤ Mr. Baker moved to adopt the emergency services policy as drafted by the Solicitor and presented; second by Mr. Heisey. Motion passed unanimously.

IX. Unregistered Visitor Comment Period

- a. Mr. Uhlig was present in support of his wife Lindsey.

X. Announcements

- a. Recognitions: Mr. T. Shaffer shared that Ms. Hoover is being nationally recognized for her success in accounts receivable.

XI. Adjournment

- Mr. Nelson moved to adjourn the meeting at 9:53PM; second by Mr. Ardini. Motion passed unanimously.

Respectfully Submitted,
Candace L. Hoover, Recording Secretary

⁶RFP: Requests for proposals

MANHEIM AREA WATER & SEWER AUTHORITY: April 13, 2017

- I. Call to Order/ Pledge of Allegiance: Chairman Miller convened the meeting at 7:05PM with the Pledge of Allegiance

Roll Call: Chairman Robert Miller, Secretary Paul Shaffer, Treasurer Joe Ardini, Assistant Secretary/Treasurer Jeffrey Sweater, and Members Charles Heisey and Andrew Nelson

Absent: Vice Chairman Wade Baker

Staff: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Maintenance Technician Alan Shaffer, and Billing Admin./Recording Sec. Candace Hoover

Professional Services: Brian Book, P.E. – Rettew Associates, Dan Desmond, Esq. – Barley Snyder, Jamie Schlesinger – Public Financial Management

II. Registered Visitors

- a. Debt Refinancing Presentation: Jamie Schlesinger introduced himself to the newer board members, including that he has been the Financial Advisor of the Authority since 2001, assisting the Authority in the 2014 refinance that helped to provide an overall savings in overall debt. He has looked into renegotiating the Authority's loans having the 2026 and 2029 loan maturity dates. The current debt structure has fixed interest rates until 2019, with a capped variable interest rate. The refinance helped stabilize some of the debt projections, and the newly proposed refinancing will further stabilize those projections.
- i. There were 2 options available. The first option would not extend the term of either loan. The second option was to extend one loan by an additional year to reduce the anticipated increase in sewer debt payments, which was anticipated to take place within the next few years. Choosing the second option would solve the sewer debt payment increase. (See attached.) On page 19, the black box shows the debt if no action were to be taken. The data shows that the sewer presently pays about \$1 million in debt payments each year. This would have gone up to approximately \$1.4 million.
 - ii. The proposal has a 2.44% interest rate on the first note. The second note has a 2.71% interest rate with the one year extension of the life of the loan, but dissolves the risk involved with the variable interest rate. The increase in 2023 drops off and saves a total of about \$900K over the course of the debt, which will help with planned projects.
 - iii. The downside of working with BB&T Bank is that there is a prepayment provision. The finance committee was made aware that half of the maturity of the loan is non-callable. Mr. Schlesinger's opinion is shared with the finance committee in that a portion of the loan be held as a no pre-payment (approximately 4-6 years in total).
 - iv. All of the cost of issuance has been included. The Authority would need to have a formal approval made by Borough Council and will need to submit the package to DCED¹ with a self-liquidating debt report.

¹ DCED: Pennsylvania Department of Community and Economic Development

MOTION

- Mr. Sweater moved to approve Resolution 4-2017 for the refinancing of the alternative two term 2014 and 2014 A series loans with pre-payment penalty of only half of the life of the loan.

MOTION: QUESTIONS & DISCUSSION

- Mr. P. Shaffer inquired if there were any up-front costs from the Authority for the refinancing. Mr. Schlesinger reviewed page 33 of the attached proposal, indicating that the fees and costs are built into the refinance, so there would be no up-front costs. He further explained that there are several attorneys involved, the Authority, the Borough, the Bank, and other associated fees. The proposed cost was projected with some space built in the estimates, that if overpaid can be applied to the first debt payment.
 - Mr. Sweater stated that he has recently helped a few other Authorities with refinances, and the fees associated within the proposal are in line with what he has seen.
 - The Authority's other loans have a shorter maturity and will be reviewed next year. Mr. Desmond presented a Resolution for the refinancing proposals, and will request a guarantee of the debt from the Borough, and approval for the officers to be authorized to execute the loan agreements (Resolution 4-2017). The refinancing will provide over \$800K in savings and should stabilize rates for the next 15 years.
- The Motion received a second from Mr. Nelson. Motion passed unanimously.

- b. Debt Refinancing & Bylaws: Mr. Desmond introduced himself to the newer board members indicating that he has been a part of past Authority refinancing, and will be part of the Authority's Bond Council during the new refinancing.
 - i. Mr. Desmond presented the updated Bylaws of the Authority. The amendment updates the crime policy and addresses check signing responsibilities. The Manager will be allowed to sign checks up to the amount covered by the Authority's crime policy. The checks would then need to be ratified by the board, or finance committee. The checks will still need to be co-signed, but the amendment provides a more practical solution to having multiple live signatures.
 - ii. The amendments include that all members of the board, and employees, be covered by the crime policy as the policy exists.

MOTION

- Mr. Sweater moved to approve the Bylaws Amendment, second by Mr. Heisey. Motion passed unanimously.

III. Approval of Minutes of March 9, 2017

MOTION

- Mr. Ardini moved to approve the Minutes of March 9, 2017, second by Mr. P. Shaffer. Motion passed unanimously.

IV. Executive Session

MOTION

- Mr. Ardini moved to recess to Executive Session at 7:38PM to discuss potential litigation; second by Mr. P. Shaffer. Motion passed unanimously.

MOTION

- Mr. Ardini moved to return from Executive Session at 8:03PM having discussed potential litigation, second by Mr. Sweater. Motion passed unanimously.

MOTION

- Mr. Nelson moved to authorize Barley Snyder to put A.C. Schultes on notice of contract cancellation, second by Mr. Sweater. Motion passed unanimously.

MOTION

- Mr. Ardini moved to recess to Executive Session at 8:06PM to discuss a personnel matter, second by Mr. P. Shaffer. Motion passed unanimously.

MOTION

- Mr. Sweater moved to return from Executive Session at 8:13PM having discussed a personnel matter, second by Mr. Heisey. Motion passed unanimously.

MOTION

- Mr. T. Shaffer thanked Mr. Getz, on behalf of board and staff, for his efforts during recent rain events, ensuring the safety of the community's facilities for over 24-hours.

V. Reports

a. Engineering

- i. Chapter 94 Report²: The current illustrates 2016 data. There was an organic overload condition occurred in April and May. The prevailing permit allows for trucked in waste over what is accepted from connected users. It contains provisions for exceedance of organics, such as cancelling trucked in waste. When the overload occurred, there was an extended period of time that the overloaded conditions existed, due to the digester cleanouts. DEP³ may ask for corrective action plan, which is the typical first step.
- ii. Notice of Violation: A notice of violation was received from the DEP, because one of the weir gates for the oxidation ditch experienced a gear failure. This caused the gate to drop and spill approximately 2,000 gallons of material. All of the spillage was retained on site, cleaned up, and reported and inspected by DEP. The mechanical failure was responded to immediately with a temporary fix and the order placement for parts.
- iii. Analysis of the Alternatives for the Biosolids Study: (See attached.) A comprehensive review of the biosolids processing system was completed. Mr. Book reported that the treatment plan was reviewed holistically, and various options analyzed. There are typically 4 stages to processing; digestion, stabilization, dewatering, and disposal, as well as 3 levels of treatment; less than Class B, Class B and Class A. Class A and B are defined by the US EPA⁴. The state mimics those definitions.
 1. At present, MAWSA uses facultative digestion. This process was reviewed along with other digestive methods such as anaerobic digestion. There are various methods of stabilizing waste, and lime was determined to be the best course of stabilization, which is what the authority's process currently includes.

² Chapter 94 Report: Department of Environmental Protection's Waste Load Management Report

³ DEP: Pennsylvania Department of Environmental Protection

⁴ US EPA: United States Environmental Protection Agency

2. Pilot tests were done for dewatering, and there is an existing press. Maintaining the press was determined to be the best beneficial reuse and the lowest cost alternative. Ultimately the analysis proved that the Authority's decision to invest in, and should continue to invest in; facultative digestion, with lime post stabilization, a belt dewatering process, and remaining at a Class B product that is farm applied.
3. The current methods are the most cost effective and efficient for the next 20-years. The final summary includes a comparison of the two most favorable alternatives and costs. Capital investments for implementation projections are also included in the summary.
 - a. Changing the digestive process would be more costly to implement. It was reviewed the viability of methane capture. In total the Authority is looking at investing \$1.8 million in capital over the next 20-years.
4. The recommendations of capital improvements are broken into immediate needs, near term needs, and long term needs. Immediate needs are defined as being recommended for completion within the next 2 years, near term, or mid-range needs are recommended for completion within the next 5 years, and long term needs are recommended to for completion within the next 5-10 years. The most immediate need is to refurbish the belt filter press to like new condition, which was estimated at nearly \$200K. (The present worth analysis was prepared as an engineering project with 15% soft cost and 10% contingency.) The cost is actually an operating cost, and would not require bidding or engineering. Mr. T. Shaffer received a quote from the manufacturer for \$158,544. With the exception of the belt filter press, the remainder of the revitalization can be staggered over time. These intermediate and long term items can be decided upon as the Authority moves in to the future, and have been identified in the report to assist in making those decisions.
5. Mr. Sweater inquired about the permit requirements. The Authority's bio-augmentation process is based on a specific combination of the operation of mixers and aeration. The EPA revoked the Authority's right to operate as permitted due to neighbor complaints of the noise of the aeration blowers. The blowers roll and aerate the digesters and help to better digest the suspended solids. Reinstating the use of the blowers would increase the available capacity in the wastewater treatment plant and the belt filter press. Mr. Sweater explained that the process is similar to turning compost, it makes the process more effective. To date, DEP has not reissued a permit to operate otherwise.
6. Mr. Book reported that Chiques Creek is slated to receive a TMDL⁵. Post treatment puts the Authority in a good place, but treatment would be better if the process included aerating.
 - a. Mr. Sweater stated that the Authority should consider rebuilding the belt filter press, as the equipment is necessary for processing, but should also look into whether or not to invest in a re-permit for current capacity to allow for hauled waste advancements. A re- rate permit is a non-construction permitting of the plant, and could cost \$10K-\$12K in engineering. A substantial appendix can be provided to the board that would help in that process. Mr. Book has never had a re-rate drop a plant's capacity.
7. Discussion took place on providing a better sound barrier for the blowers so that the plant can operate in a more efficient and cost effective manner.

⁵ TMDL: Total Maximum Daily Load is a regulatory term in the US Clean Water Act describing a plan for restoring impaired waters and determining the maximum amount of pollutant that body of water can receive while still meeting water quality standards.

8. Mr. T. Shaffer was tasked with reviewing the report and working with strategic planning to incorporate the necessary plans into the capital improvement projections. Mr. Getz inquired if re-rating was possible without DEP providing a new permit for our existing operations.
 - a. Re-rating could give a significant amount of capacity.
- iv. Bond Issue: Mr. Book will provide a proposal for the self-liquidating debt report. The board will not have a meeting before the self-liquidating report is due, so he has requested that Mr. T. Shaffer be authorized to approve it on the board's behalf.

MOTION

- Mr. Ardini moved to provide Mr. T. Shaffer the authority to authorize the engineering proposal for the self-liquidating debt report per the refinancing estimates, not to exceed the refinancing proposal costs of \$5K, second by Mr. Sweater. Motion passed unanimously.
- b. Management & Operations
 - i. WTP⁶: DEP conducted a filter performance evaluation. The walkthrough of the water facilities went very well.
 - ii. Water Loss: There were no main breaks in March. The system remains below 10% in water loss.
 - iii. WTP Operations: The 2 failing body feed pumps were replaced with new, SCADA⁷ compatible pumps.
 - iv. WWTP⁸ NOV⁹: A response letter to DEP's NOV was drafted and reviewed by the Solicitor.
 - v. WWTP Operations: Nitrogen levels are up slightly with the weir gate being in a fixed place. The weir gate part has been received, and will be installed.
 - vi. Belt Filter Press: Per the Solicitor, the press is proprietary in nature. The board may proceed without bidding. Mr. Sweater indicated that the Finance Committee is in favor of the refurbishment of the belt filter press.

MOTION

- Mr. Nelson moved to approve the refurbishment of the belt filter press, acknowledging that it is deviating from the fiscal policy by approximately \$9K, second by Mr. Sweater. Motion passed unanimously.
- vii. Pug Mill: The augers for the pug mill have been received and installed. The thrusters arrived today.
- c. Property Committee Report
 - i. No items were presented.
 - d. Personnel Committee Report
 - i. Health Insurance Refund: Ms. Tobias is expecting a reimbursement from the IIC insurance program for the Authority's 2016 participation.
 - e. Strategic Planning & Projects Report

⁶ WTP: Water Treatment Plant

⁷ SCADA:

⁸ WWTP: Wastewater Treatment Plant

⁹ NOV: Notice of Violation

- i. Project Projections: The Committee met to discuss system improvements. The Water did not have any large immediate needs. Larger projects are on the wastewater side. The belt filter press was the most immediate need followed by the interceptor line.
 - 1. The grant application for the interceptor was denied. There were 137 winners out of over 700 applicants. Mount Joy was the only Lancaster County recipient to receive a grant.
- f. Finance Committee Report
 - i. Financial Overview: Ms. Tobias noted on page 16 of the financials (attached) that the capital accounts have been opened. Taking out the capital funds would put the cash flow numbers at about the same level the Authority stood at last year, indicating that the calculations for a surplus rollover were accurate.
 - ii. Invoices: Brooklawn Paving patched the 2016 repair places, approximately 6 locations, which is the only unusual expense item.
 - 1. DDP Tap: The invoice is a pass-through line for the Sun Hill Development. The cash comes in, and shows as a voucher when the check is cut back so that it is logged as a developer reimbursement and create a written record of the pass-through.
 - 2. Ms. Tobias reviewed a few other expenses for water and wastewater.
 - 3. Microscope: The old microscope from 1993 was in poor condition. The new one is more flexible, allows staff to view at greater magnification, and can be used online to send data to engineers, etc. It is expected to last 20 years. The approval of this voucher also deviates from the financial policy.
 - iii. Revenue & Expense Reports: Holly Tree has added an additional 20 units.
 - 1. Dividends: In other income of prior year for \$3,600 for both water and wastewater, is from a dividend check from the liability, property, and auto insurance co-op's excess surplus refund.
 - 2. Water Total Income: \$186,487.52
 - 3. Water Total Expense: \$100,622.93
 - 4. Water Net Ordinary Income: \$85, 864.59
 - 5. Wastewater Total Income: \$229,886.10
 - 6. Wastewater Total Expense: \$101,323.44
 - 7. Wastewater Net Ordinary Income: \$128,562.66
 - iv. Bank Account Balances
 - 1. Water Operations & Maintenance: \$537,070.85
 - 2. Wastewater Operations & Maintenance: \$1,583,220.17
 - 3. Water Capital: \$270,209.05
 - 4. Wastewater Capital: \$370,811.64
 - 5. Escrow: \$24,427.19
 - v. Budget vs. Actual Reports
 - 1. Water: Ms. Tobias confirmed that the tapping fees removed would still put the reports at approximately 24%. Mr. Miller noted that the original plan was to sweep funds into capital once per year.
 - 2. Tapping fees came in early this year for water showing good numbers so far.
 - 3. Wastewater: The budget is in line with revenue and under expenses at present, in anticipation of the debt service payment this fall.
 - 4. Mr. Miller asked if the financials were reported accurately as reviewed by the Finance Committee. The Finance Committee indicated that they were.

MOTION

- Mr. Sweater moved to approve the Financial Reports as presented, second by Mr. P. Shaffer. Motion passed unanimously.

g. Vouchers

MOTION

- Mr. Sweater made a Motion to authorize payment of vouchers received after the reports were run for \$6,447.99 (\$420 water; \$6,027.99 wastewater); second by Mr. Nelson. Motion passed unanimously.

MOTION

- Mr. Ardini moved to authorize payment of the vouchers for \$112,555.94 (water operations and maintenance \$43,299.20, wastewater operations and maintenance \$63,964.22, and wastewater capital \$5,292.52) and to ratify payments made prior to the meeting for \$36,839.30 (water operations and maintenance \$17,867.35 and wastewater operations and maintenance \$18,971.95); second by Mr. P. Shaffer. Motion passed unanimously.

- i. Collections: Mrs. Hoover announced that the delinquent balances (aged balances from 31-120+ days) as of today have an outstanding amount of \$58,841.06, which is below the 25% reduction goal set for 2017 of \$68,614.80.

VI. New Business

- a. No items were presented.

VII. Old Business

- a. Rate Survey Results: Staff compiled data pertaining to local rates versus the latest AWWA Survey results. Mr. T. Shaffer reviewed the data.
 - i. The effective annual rate increase for 3,740 gallons for MAWSA is 4.027% for water and 5.743% for wastewater, which is below the annualize rate increases of the AWWA survey participants, although all were above the general CPI¹⁰ of 2.07%. If the authority's rates could be held for another 5 years, those figures would drop to 3.21% water and 4.02% for wastewater.
 - ii. Based on the average AWWA participant and neighboring communities, MAWSA's rates are the highest for wastewater, and nearly the highest for water.
 - iii. Mr. T. Shaffer reviewed the original recommendation from the actuaries to have five 20% rate increases to finance the debt. Based on that proposal MAWSA is between the second and third of those five recommended increases.
 - iv. Refinancing efforts have helped keep rates as stable as they are.
 - v. Mr. T. Shaffer shared data from a recent article from the Lancaster Newspaper regarding the debt of various authorities.

¹⁰ CPI: Consumer Price Index - is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

VIII. Adjournment

MOTION

- Mr. Sweater moved to adjourn at 9:21PM, second by Mr. Heisey. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

MANHEIM AREA WATER & SEWER AUTHORITY: May 11, 2017

- I. Call to Order/Pledge of Allegiance: Chairman Miller convened the meeting with the Pledge of Allegiance at 7:10PM

Roll Call: Chairman Robert Miller, Vice Chairman Wade Baker, Assistant Secretary/Treasurer Jeffrey Sweater, and Members Charles Heisey and Andrew Nelson

Absent: Treasurer Joe Ardini and Secretary Paul Shaffer

Staff: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Water Operator Nicole Bushong, Maintenance Technician Alan Shaffer, and Billing Admin./Recording Secretary Candace Hoover

Professional Services: Brian Book, P.E. and Andrew Christ – Rettew Associates

- II. Registered Visitors: The registered visitor had to cancel. It is possible she will attend June's meeting.

- III. Approval of Minutes of April 13, 2017

MOTION

- Mr. Sweater moved to approve the Minutes of April 13, 2017 as presented; second by Mr. Heisey. Motion passed unanimously.

- IV. Reports

- a. Engineering: Mr. Book introduced Mr. Andy Christ. Mr. Christ will be attending meetings periodically so that there is a local representative from Rettew available to staff.
 - i. Self-Liquidating Debt Report: Mr. Book shared that the report includes a 3% cost of living increase each year on all expenses, and a 2.5% rate increase every other year. With those estimations built in, it projects that the Authority's debt would be paid off with \$4.5 Million in reserves by 2028/2029, should there be no projects in between.
 1. Mr. Book noted that municipalities raise rates 3% to 5% every year, adding that the refinancing will ultimately help the Authority's financial position, and that the hauled waste program is a key to maintaining stable rates.
 - ii. PA DOT¹ Cost Share: PA DOT has increased the project scope, and will therefore need a new approval for cost sharing. There will still be a 75% reimbursement of costs from PA DOT. The updated Resolution replaces Resolution 3-2017 for State Route 0072 Section 052. The new project scope includes State Route 0072 Section 052 between Station 523+61, and Station 708+72 and State Route 0772,

¹ PA DOT: Pennsylvania Department of Transportation

Section 045 between Station 680.07 and Station 733+26, and changes the dates from May 1, July 1, and September 7 to June 1, August 1, and September 21.

iii. Resolution 5-2017:

MOTION

➤ Mr. Sweater moved to approve Resolution 5-2017 approving the revision to the PA DOT Cost Sharing Agreement; second by Mr. Baker. Motion passed unanimously.

iv. High Service Pumps: Rettew received a request for a Certificate of Substantial Completion around April 15. Substantial Completion is where the equipment can be used. It also sets other actions into motion such as; warranties, insurance, and an inspection.

1. If the inspection shows substantial completion, a tentative substantial completion certificate will be issued with a punch list of items that need to be completed in order to achieve completion. The walkthrough was completed on April 24. Certain items were discovered to be incomplete; however, the pumps are in working condition. Mr. Book has therefore issued a tentative substantial completion with a punch list. It was noted that substantial completion includes a 1-year contractor's warranty. The punch list items are;

- Bracket placement correction of pump number two
- Check valve repair
- Repair leak at the floor where item was bumped
- Manufacturer inspect pump two and confirm contractor's use of oil type and whether or not warranty was thereby voided
- Complete painting of pedestals, pumps, and pipe
- Touch-up painting per manufacturer instructions
- Provide manufacture certifications
- One year supply of each lubricant
- Repair kit submission
- 2 hours of training
- 3 copies of O&M Manuals, and
- Red lines of what was built so that it is recorded.

Until the list is completed, engineering is recommending the withholding of \$10,530. The board discussed; whether or not to approve substantial completion, whether or not to remit a change order for the dual check valve repair, the substantial completion punch list, and whether or not the Solicitor would need to assist in any of these matters.

MOTION

➤ Mr. Sweater moved to recess into Executive Session to discuss potential litigation at 8:04PM; second by Mr. Nelson. Motion passed unanimously.

MOTION

➤ Mr. Sweater moved to return from Executive Session from the discussion of potential litigation at 8:21PM; second by Mr. Nelson. Motion passed unanimously.

MOTION

- Mr. Nelson moved to accept substantial completion of the high service pumps from A. C. Schultes; second by Mr. Baker. Motion passed unanimously.

MOTION

- Mr. Baker moved to accept Change Order # 1 for the deduction of \$1,150, deleting the check valve repairs from the contract with A. C. Schultes; second by Mr. Sweater. Motion passed unanimously.

2. Mr. Book reviewed a letter he received from A.C. Schultes dated April 25, 2017 requesting a time extension for substantial completion that would take A. C. Schultes to March 15.

MOTION

- Mr. Sweater made a Motion to reject the time extension of substantial completion requested by A. C. Schultes; second by Mr. Nelson. Motion passed unanimously.

- b. Operations & Management Reports: Mr. T. Shaffer reviewed the proposal provided by Rettew regarding the negotiation of previous invoices. The proposal recommends a credit of \$49,712. Mr. T. Shaffer believes the credit fairly represents the ratepayers of Manheim.
 - i. Mr. Sweater noted that the Finance Committee concurs.
 - ii. Mr. Heisey clarified that invoices will no longer be issued without an authorized written proposal that includes costs.
 - iii. Mr. Baker recognized staff and the Finance Committee for reaching out to Rettew and reviewing the invoices and proposal.
 - iv. Mr. Miller also recognized Rettew for their efforts to present the proposal as well.

MOTION

- Mr. Nelson moved to accept the discount amount of \$49,712, as presented by Rettew; second by Mr. Heisey. Motion passed unanimously.

- v. PA DOT Cost Share Project Proposal: Mr. T. Shaffer recommended that the board approve the cost of services proposal from Rettew for the cost share project related to Resolution 5-2017.
 1. Mr. Miller indicated that he would prefer that projects such as these be reviewed by the Strategic Planning/Projects Committee.
 2. In time pressed situations Mr. T. Shaffer will review and provide the recommendation.
 3. The Strategic Planning/Projects/ Technology/Bio-Solids Committee will now be known as the Strategic Planning Committee.

MOTION

- Mr. Sweater moved to approve the cost proposal from Rettew associated with the PA DOT Cost Share project represented in Resolution 5-2017 contingent up on PA DOT's approval of said resolution; second by Mr. Nelson. Motion passed unanimously.

- vi. Water Treatment Plant – Mr. T. Shaffer commended Ms. Bushong on her management of the water facilities.
 - vii. East Logan Avenue: Mr. T. Shaffer reported that a resident’s home was discovered to have 24 pounds of pressure at the curb stop. Mr. Getz and Mr. A. Shaffer believe it may be a 2” water main. The project has been elevated to a priority status for review by the Strategic Planning Committee.
 - viii. Reservoir: There are more trees that need to come down in the reservoir area, one of which was struck by lightning. This will also be a high priority item for the Strategic Planning Committee.
 - ix. Wastewater Treatment Plant: No immediate items were presented to staff by the Water Quality Specialist during his inspection of the facilities. Mr. T. Shaffer reported that Mr. Getz and his staff have done excellent work in returning effluent levels considering the weir gate issue.
 - x. Belt Filter Press: Mr. T. Shaffer has been in constant contact with the repair company, Alfa Laval, to see if the project can expedited. At present, the bearing will not stay in place, and it is affecting the shaft’s operation.
- c. Property Committee: No items to present.
- d. Employment/Personnel Committee: Mr. Baker stated that the Committee would like to meet with staff regarding retirement programs, and asked Mr. T. Shaffer if he would have the Personnel Committee meet regarding Mrs. Hoover’s continuing education request.
- i. 2016 Medical Insurance: Ms. Tobias reported that the Authority is due approximately \$60K from last year’s insurance provider, which is anticipated to be received mid-year. Mr. Baker would like to see the savings utilized for personnel related items so that the Committee can assure that staff is in market value with medical, salary, and retirement benefits.
- e. Strategic planning committee: No items to report.
- f. Finance: Ms. Tobias reported that total account balances are approximately \$2.9 Million.
- i. Financial Reports
 - 1. Water Payables: Ms. Tobias highlighted the Battery Warehouse Invoice. Mr. Getz has initiated a refurbishment project saving the Authority approximately \$449K in overall savings over the next few years.
 - 2. Wastewater Payables: Ms. Tobias highlighted a roofing invoice for the WAS Pump, which will be a two payment project, and an Iron Horse Environmental invoice for the Wilo Mixer motor – a one-time repair.
 - 3. Revenue & Expense Reports
 - a. Water is tracking ahead in revenue and below in expenses.
 - b. Water Total Income: \$105,341.56
 - c. Water Total Expense: \$69,246.44
 - d. Water Net Ordinary Income: \$36,095.12
 - e. Wastewater is tracking well in revenue and below in expenses as well.
 - f. Wastewater Total Income: \$209,717.63
 - g. Wastewater Total Expense: \$106,453.34
 - h. Wastewater Net Ordinary Income: \$103,264.29

- i. Budget vs. Actual: Ms. Tobias noted that at the close of April, the percentage of the year goal is 33%. Water is slightly ahead in revenue, even if tapping fees are removed from the dollar amount. Mr. Miller confirmed that tapping fees are to roll into capital at year end. Holly Tree has one more building to come on line before payout of their tapping fees. Water is tracking slightly below in expenses, which is expected to continue until the debt service payment is made later in the year.
- j. Bank Account Balances:
 - i. Water Operations & Maintenance: \$491,444.66
 - ii. Wastewater Operations & Maintenance: \$1,765,965.02
 - iii. Water Capital: \$270,299.45
 - iv. Wastewater Capital: \$365,632.50
 - v. Escrow: \$23,523.19
- k. Previous year comparison
 - i. Ahead in water this year over last.
 - ii. Nothing stands out in expenses.
 - iii. Wastewater is doing well overall.
- l. Mr. Sweater indicated that Finance Committee has reviewed the reports and finds them in good order.

MOTION

- Mr. Heisey moved to approve the Finance Reports as presented; second by Mr. Baker. Motion passed unanimously.

ii. Vouchers

MOTION

- Mr. Heisey moved to authorize payment of the vouchers needing approval: \$57,725.81 (\$12,714.08 water operations and maintenance account, \$722.00 water capital account, \$43,567.73 wastewater operations and maintenance account, \$722.00 wastewater capital account) and to ratify payments made prior to the meeting for \$16,517.78 (\$6,680.33 water operations and maintenance account, \$9,837.45 wastewater operations and maintenance account); second by Mr. Sweater. Motion passed unanimously.

MOTION

- Mr. Sweater moved to approve payment of invoices received after reports were run for \$16,791.82 (\$3,339.43 water operations and maintenance and \$13,452.39 wastewater operations and maintenance); second by Mr. Heisey. Motion passed unanimously.
 - 1. Engineering Invoices: Ms. Tobias will provide a breakdown of the invoices and credits of the approved Rettew credit after the auditor has divided the amounts between water and wastewater, and 2016 and 2017.

V. New Business

- a. Meeting Times: Mr. Nelson suggested that meetings start ½ hour earlier. The board was open to discussing the matter.

- b. Rock-N-Glow 5K: Entry to the event was offered to the board and staff.
- VI. Unregistered Visitor Comment Period: There were no visitors.
- VII. Adjournment

MOTION

- Mr. Nelson moved to adjourn at 9:21PM; second by Mr. Sweater. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

MANHEIM AREA WATER & SEWER AUTHORITY: June 8, 2017

I. Call to Order/ Pledge of Allegiance: Mr. Baker convened the meeting at 7:02PM

Roll Call: Vice Chairman Wade Baker, Treasurer Joe Ardini, Assistant Secretary/Treasurer Jeffrey Sweater, and Member Andrew Nelson

Staff: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Water Operator Nicole Bushong

Absent: Chairman Robert Miller, Secretary Paul Shaffer, Member Charles Heisey

Engineers: Brian Book, P.E. and Andy Christ - Rettew Associates

Auditors: Mike Reiner, CPA and Steve Brubaker, CPA – Sager, Swisher & Company, LLP

II. Registered Visitors

- a. Ms. Nancy Husser from the Manheim Lions Club is requesting to utilize MAWSA's Rapid Response Phone System for the 5K Santa Run being held in Manheim this December. The reason for her request is to get information out to the public that certain roadways will be closed during the event. Discussion was had that the call system is used for MAWSA emergency call outs only and we cannot set precedence for others to use the system for anything other than its intended purpose. The Board declined Ms. Husser's request.

- b. Mr. Mike Reiner and Mr. Steve Brubaker of Sager, Swisher & Company, LLP presented the 2016 Financial Statements for review and acceptance. Mr. Reiner presented a clean audit and met with management prior to the board meeting to go over the report in detail.

Mr. Reiner pointed out that the Authority's net position increased from 2015 to 2016, as well as the capital asset projects, mostly due to developer line dedications. He also noted that the Authority retired approximately \$1,000,000 of long term liability debt in 2016. MAWSA did add some debt with the lease/purchase of the CAT loader in 2016.

Mr. Reiner stated that there was no rate increase for water or sewer in 2016 but in fact there was a rate decrease due to the removal of the transmitter fee of \$3.00/month per customer in November. There was a slight increase in some pricing on the septic processing fees to haulers.

Overall, both water and wastewater funds increased in value and standing in 2016.

An anomaly expense in 2016 was that both digesters were cleaned out and increased expenses by \$200,000.00.

There was explanation of the deferred outflow of pension, as well as the GASB68 report. Mr. Reiner spoke about the liability aspect of the report, and the requirement to build up to 10 years of schedules in the financials.

Mr. Reiner expressed thanks to MAWSA staff in assisting Sager, Swisher & Co. in obtaining the information needed for the audit. There was a time for questions and comments. None were presented.

MOTION

➤ Mr. Sweater moved to accept the 2016 Financial Statements as presented; second by Mr. Nelson.
Motion passed unanimously.

III. Approval of Minutes for May 11, 2017

MOTION

➤ Mr. Sweater moved to approve the Minutes of May 11, 2017 as presented; second by Mr. Nelson.
Motion passed unanimously.

IV. Reports

a. **Engineering**

1. Chapter 94 Report: MAWSA received a letter from DEP on May 19, 2017 in regards to the 2016 Chapter 94 report. The DEP considers the 2016 report as acceptable.
2. GW Monitoring: MAWSA staff is pursuing purchasing data loggers for the Ground Water reporting as required by SRBC. The new data loggers will be compatible with a SCADA system and will enable MAWSA staff to record the data in place of the engineers performing the task.
3. High Service Pumps: on May 12, 2017 MAWSA granted substantial completion to the contractor along with a punch list. The contractor was onsite June 7, 2017 and completed 7 of the 12 items on the punch list. The contractor is scheduled to arrive on June 12, 2017 to complete painting. Mr. Book is anticipating this project will be wrapped up by the July board meeting. The Board stated that their desire is that the end result of this project is to have a long term life span that is acceptable and as expected.
4. Penn Towne Center Phase III: The Developer has submitted a request for a reduction of the construction letter of credit to 5%. There is currently a punch list of items that still need to be completed, including as-built drawings for this Phase. Mr. Book recommended that we modify the Developer's request and proposed that the Authority retain 15% of the letter of credit. This percentage is the typical amount that is held in a letter of credit during the maintenance agreement phase of a development, following a dedication to MAWSA. The construction letter of credit can then simply be rolled over to be the maintenance letter of credit.

MOTION

➤ Mr. Sweater moved to require a 15% retainage on the existing construction letter of credit as it can be rolled into the maintenance letter of credit; second by Mr. Ardini. Motion passed unanimously.

b. **Management & Operations**

1. Mr. T. Shaffer recognized Mr. Brian Book for receiving the Arthur Sidney Bedell Award for Personal Service from the Water Environment Federation.
2. Wastewater Projects/Items
 - i. The Wastewater Treatment Plant's annual inspection was on May 4, 2017. There has been no report from DEP issued as of today.
 - ii. Belt Filter Press rebuild is scheduled to take place July 24-August 4, 2017.
 - iii. May set a record for hauled waste in both gallons received and as well as amount billed.
3. Administrative/Employee

- i. Letters were sent to all landlords to educate them on items that MAWSA requires of them; Candace did an excellent job composing the letter, and in turn has seen results from the mailing.
- ii. MAWSA employees Brock Miller and Sasha McComsey both passed DEP exams. The DEP Certification Board is to meet on June 21, 2017; mailing of the new certificates will follow DEP's meeting.
- iii. New MAWSA Administrative Assistant, Amy Bell, processed 325+ payments in one 6 hour shift while answering phones, making appointments, etc. Amy is extremely efficient, and staff has great engagement with her on the team.

c. **Property Committee** – None at this time.

d. **Employment/Personnel Committee**

1. The Committee met via email during the past month to discuss employee Candace Hoover's request for education assistance.

MOTION

- Mr. Baker moved to approve Ms. Hoover's education request as presented; second by Mr. Ardini. Motion passed unanimously.

e. **Strategic Planning** –next meeting being held on Tuesday, June 13 @ 6:00PM; will provide a report at the July meeting.

f. **Finance Committee**

1. Financial Reports

- i. Mr. Sweater reviewed the Revenue and Expense reports for both Water and Wastewater.
- ii. Water showed a net income of \$85,890.57 for May.
- iii. Wastewater showed a net income of 153,019.41 for May.
- iv. Both Water and Wastewater showed that the Budget vs. Actual is over in income and under in expenses.
- v. Previous Year Comparison reports were reviewed on both Water and Wastewater with discussion that in 2018 the Board would like to see separate reports for O&M and Capital revenue and expenses.

2. Vouchers

- i. Rettew invoices to be settled up from December 2016-May 2017 utilizing the credits Rettew offered in their proposal. Some invoices will be paid since they are developer escrow invoices; the invoices that pertain to the High Service Pump project that are outside of the scope of the original project will be paid; all other invoices will be paid using the credit until the credit is used. The detail of these invoices was provided to the Finance Committee, and is reflected on the accounts payable reports.

MOTION

- Mr. Sweater moved to approve the vouchers as presented; second by Mr. Nelson. Motion passed unanimously.

MOTION

- Mr. Sweater moved to approve payment to the invoices received after reports were run; second by Mr. Ardini. Motion passed unanimously.

V. Adjournment

MOTION

- Mr. Ardini moved to adjourn at 7:51PM; second by Mr. Sweater. Motion passed unanimously.

Respectfully Submitted,

Deborah A. Tobias, Recording Secretary