

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