
MANHEIM AREA WATER & SEWER AUTHORITY: January 11, 2018

- I. Call to Order/ Pledge of Allegiance: Mr. Baker convened the meeting with the Pledge of Allegiance at 7:00PM

Roll Call: Wade Baker, Paul Shaffer, Joe Ardini, Jeff Sweater, Charles Heisey, Andrew Nelson

Absent: Robert Miller

II. Executive Session

- Mr. Sweater moved to recess to Executive Session to discuss legal matters relating to the high service pump at 7:00PM; second by Mr. Heisey. Motion passed unanimously.
- Mr. Sweater moved to return from Executive Session from the discussion of legal matters at 7:04PM; second by Mr. Heisey. Motion passed unanimously.
- Mr. Sweater moved to approve payment of the offer provided by A. C. Schultes, contingent upon the review and approval of the Solicitor, and to authorize the signature of the Chairman on the contract settlement agreement; second by Mr. Ardini. Motion passed unanimously

III. Reorganization

- a. Election of Officers
 - i. Nomination of Chair
 - Mr. Sweater moved to nominate Robert Miller to the office of Chair; second by Mr. P. Shaffer. Motion passed unanimously.
 - Mr. Sweater moved to nominate Wade Baker to the office of Vice Chair; second by Mr. Heisey. Motion passed unanimously.
 - Mr. P. Shaffer moved to close nominations for the offices of chair and vice chair; second by Mr. Sweater. Motion passed unanimously.
 - Mr. Sweater moved to appoint the slate of previously elected/appointed officers; second by Mr. P Shaffer. Motion passed unanimously
 - b. Committee Appointments
 - i. Personnel Committee: Mr. Baker, Mr. Heisey, and Mr. Sweater
 - ii. Finance Committee: Mr. Ardini, Mr. Miller, and Mr. P. Shaffer
 - iii. Property Committee: Mr. Baker, Mr. Heisey, and Mr. Miller

- iv. Source Water Protection: Mr. P. Shaffer
- v. Strategic Planning: Mr. Ardini, Mr. Nelson, and Mr. Sweater

IV. Engagement of Professional Services

- a. Financial Institutions – Ephrata National Bank and Fulton Bank
 - i. The Treasurer, Assistant Treasurer, Chair, and Vice Chair will remain bank signers.
 - b. Solicitor – Barley Snyder
 - c. Engineering – Spotts, Stevens, McCoy, and for the PA DOT project special project, Rettew Associates as they were already approved by PA DOT
- Mr. Sweater moved to authorize the engagement of services as indicated herein; second by Mr. Heisey. Motion passed unanimously.

V. Registered Visitors

- a. There were no registered visitors.

VI. Approval of Minutes

- Mr. Ardini moved to approve the Minutes of December 14, 2017 as presented; second by Mr. Sweater. Motion passed unanimously.

VII. Reports

- a. Engineering
 - i. Mr. Kline thanked the board for the opportunity to partner with the Authority.
 - ii. Grant Opportunity: Mr. Kline shared that the Authority is in need of valve replacements and pump station generator upgrades. SSM has had recent success with grant applications, and although there is no guarantee, they believe MAWSA will be in a good position to obtain a grant from this program. The application will be supported by the DEP Water Inspection Report (dated 11/14/17).

Mr. Nelson arrived at 7:22PM

- iii. Grant Opportunity (continued): The review of the interceptor is already underway, which may also fit into the scope of the grant.
- Mr. Sweater moved to authorize the grant proposal with SSM, not to exceed \$5,000; second by Mr. P. Shaffer. Motion passed unanimously.
- iv. Miscellaneous Projects: Mr. Kline shared that that major projects will have stand-alone proposals. There are a lot of on the spot meetings, or calls, that occur between staff and engineering, which will be under the jurisdiction of a “miscellaneous services agreement” that will be set on a

not to exceed basis. A proposal for the program setup will be forthcoming. Engineering meeting attendance is at no cost to MAWSA.

b. Management

i. Engineering Professional Services Agreement

- Mr. Nelson moved to approve the professional services agreement for SSM; second by Mr. P. Shaffer. Motion passed unanimously.
- ii. Borough Cost Sharing Agreement: Mr. T. Shaffer's understanding was that the cost sharing between the Authority and Borough was for the street restoration portion of the South Charlotte Street project where the Authority made water main repairs. The Borough recently approved a bid that includes sidewalks, curbs, ramps, etc., which the Authority's project did not affect. He recommends that the cost share agreement be re-evaluated.
- Mr. Nelson moved to approve a cost share split with the Borough of Manheim for restoration of the South Charlotte Street cartway only; second by Mr. Heisey. Motion passed unanimously.
- iii. Water Treatment Plant: A Notice of Violation was issued for the frequency of monitoring of tetrachloroethylene. The test was supposed to be conducted quarterly, not annually, as some of staff's documents indicated. The sample has been logged in staff's quarterly testing documents, a letter has been drafted for DEP, and the violation will be listed in the annual water quality report.
- iv. Sun Hill Water Tower: Mr. Kline noted that the bid specifications will be added to with mini-specification sets that refer to the already drafted documents
- Mr. Sweater moved to authorize bidding of the Sun Hill Water Tower recoating with the inclusion of the specifications as discussed; second by Mr. Nelson. Motion passed unanimously.
- v. Digester 7A: The bolt leak was fixed at no cost, and will be placed on a regular maintenance schedule.
- vi. Hauled Waste: The program closed the year ahead of anticipated revenue.

VIII. Financial Reports

a. Financial Reports

- i. Mr. Ardini indicated that the Finance Committee reviewed the reports prior to the meeting.
- ii. Water: Invoices are typical, with additional invoices from Blue Water and Mountainside Excavating for a water main break.

- iii. Wastewater: There is an invoice for tuition reimbursement for Mrs. Hoover split between water and wastewater.
 - iv. Checks Received Prior to the Meeting: All invoices are typical invoices.
 - v. Year End Budget versus Actual Revenue: Revenue was higher and expenses lower than anticipated.
 - vi. 2018 Budget: Discussion was held on meters, transmitters, tapping fees, meter reading revenue, the recalculation of the split of the PNC Loan between water and wastewater, and the bottom line of the budget.
- Mr. Sweater moved to accept the financial reports as presented, and to authorize payment of the operation and maintenance and capital vouchers of \$50,038.14, and ratify payment of vouchers paid prior to the meeting of \$44456.01; second by Mr. Nelson. Motion passed unanimously.
 - Mr. Ardini moved to authorize payment of the vouchers received after the meeting reports were run for operations and maintenance and capital for \$76,130.16 with the payment of \$59,330.73 for Custer Excavating for the East Logan Avenue project (which came in under budget) invoice being contingent upon staff's receipt of the final as-built drawings; second by Mr. Heisey. Motion passed unanimously.

Mr. Nelson excused himself at 8:13PM.

- vii. Utility Billing: Mrs. Hoover reported that the year-end goal of decreasing the aged receivables between 31 and 120+ days by 25% was met, the average open balance closed almost \$70K less than last year, the open balance before bills run decreased by almost \$17K, a decrease of almost \$17K, and dropped 2 days in days of sales outstanding.
 - viii. Resolution 2-2018: Disposition of billing records.
- Mr. Ardini moved to approve Resolution 2-2018 regarding the disposition of billing records; second by Mr. Heisey. Motion passed unanimously.

IX. Committee Reports

- a. Strategic Planning Committee
 - i. Whitebirch Program: The actual cost for 2018 will be \$5K for development and \$5K for the software and implementation.
- Mr. Ardini moved to approve the purchase of Whitebirch with the updated costs; second by Mr. P. Shaffer. Motion passed unanimously.
- ii. Property Committee
 - 1. A resident requested lane access near one of the Authority's properties. The neighbors were accustomed to use the lane as they wished, since the Authority installed a security gate, the customers

now need the gate moved in order to access their property as they are accustomed to.

Mr. Nelson returned at 8:23PM

iii. Personnel Committee

1. Mr. Baker apologized for not being able to attend the December meeting, as the discussion on healthcare was a large shift discussion. He indicated that he received word that there was a concern about the deductible sizes, and out of pocket costs. Mr. Baker indicated that the Committee selected an employee controlled HSA, and that the HRA plan was not selected because it would have fallen to MAWSA to distribute funds instead of the employees. Mr. Baker sees this as a way for employees to have funds in a healthcare account when they retire. Mr. Sweater indicated that the board was not provided with the same data the Personnel Committee had in order to review prior to making a decision. He feels that the benefits are starting to slip in relation to the going market. Mr. Baker indicated that the Committee is not looking to erode benefits to staff, but to stave off the rising costs of healthcare. It is intended to fund the HSA annually. Mr. Nelson noted that the customers' rates are of a primary concern, even though there is a desire to retain employees. Mr. Ardini expressed a concern that the change in the insurance program occurred after open enrollment was closed for employees that could have gone to a spouse's insurance. Mr. Baker stated that health incentives are being implemented this year, such as an impact for smokers. Mr. P. Shaffer added that it allowed the Committee to bring the management position up to market as well. Mr. T. Shaffer reported that the Executive Team met, and were informed that employees have reported new data on benefit and wage market relevance. He feels the employees like it here, and work hard, which is showing in the company's performance. Mr. Baker feels that if costs are controlled on benefits, salaries can be increased without adversely affecting the budget, but that the market relevant information would need to be provided for review.

X. Adjournment

Mr. Ardini moved to adjourn at 9:16PM; second by Mr. Nelson. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

MANHEIM AREA WATER & SEWER AUTHORITY: February 8, 2018

I. Pledge of Allegiance: The Pledge of Allegiance proceeded at 7:05PM

Roll Call: Chairman Robert Miller, Vice Chair Wade Baker, Treasurer Joe Ardini, and Jeff Sweater

Executive Team: Authority Manager Terry Shaffer, Financial Comptroller Deb Tobias, Operations Supervisor Sam Getz, Recording Secretary/Billing Admin. Candace Hoover;
Staff: Administrative Assistant Amy Bell, Technician Paul Bell, Water Operator Nicole Bushong, Technician Tom Eby, Lab Technician Sasha McComsey

Absent: Secretary Paul Shaffer and Members Charlie Heisey, and Andrew Nelson

Engineering: Dan Connolly, and Carl Kline – SSM

Solicitor: Dan Desmond, Esq. – Barley Snyder

No quorum present: Members concurred to review the reports until a quorum was present.

II. Reports

a. Financials

i. Mr. Ardini reviewed the financial reports. Both water and wastewater indicate progressive revenue and expenses. Finances are in an overall good position.

b. Engineering: Mr. Connolly and Mr. Kline reviewed the engineer's report.

i. Manheim Commons: An escrow of \$5K has been accepted.

ii. There are a number of items within the report that SSM is working on that the Authority is not being charged for, as they are looking to get caught up on where MAWSA is at on various projects.

iii. Salem United Methodist Church: The plans have been received and there are some comments that will be provided on the design submission.

iv. Market Square: Jason Newhard visited the water plant with staff. He is very experienced with line replacements.

v. Consolidated Funding Grant Application: The letters and application fee check have been prepared for submission. The Resolution regarding participation has also drafted for approval.

1. Some of the projects in the grant application include the interceptor line and valve installations.

c. Management Report

- i. Staff: Attending staff members introduced themselves.
- ii. Main Breaks: There were quite a few leaks since the last meeting with the varied freezing and above freezing temperatures.
- iii. Equipment: Meter and transmitter appointments are going well.
- iv. High Service Pump: The agreement has been signed by A. C. Schultes as presented by MAWSA with negligible changes that were sanctioned with Mr. Desmond. The document is available for board signature.
- v. Commendations: Mr. Shaffer praised Mr. Getz and his team on their continued processing, and effluent, results with the bad weather.
- vi. Hauled Waste: The conveyor is in. Photos were passed around for review.
 - 1. Staff has been working with the engineers on improving the wasting setup at the wastewater treatment plant.
 - 2. Revenue was on target for January.

Mr. Baker arrived at 7:26PM; Mr. Miller called the meeting to order at 7:27PM

III. Approval of Minutes

- Mr. Sweater moved to approve the Minutes January 11, 2018 of as presented; second by Mr. Ardini. Motion passed unanimously.

IV. Reports – Continued

- a. Management Report (continued)
 - i. High Service Pumps: Mr. Desmond reported that the A. C. Schultes settlement and release agreement was drafted and signed by A. C. Schultes. The settlement agreement is \$48,000 via check.
 - Mr. Sweater moved to sign the settlement and agreement letter as presented; second by Mr. Baker. (The check is part of the vouchers received after the reports were run.)
 - Discussion: It was clarified that the warranty is from the pump manufacturer, which is near done. Motion passed unanimously.
 - Mr. Ardini moved to approve Resolution 3-2018 and participation in the PA Small Water Sewer Grant; second by Mr. Sweater. Motion passed unanimously.
 - ii. Market Square: The main from Charlotte to Main is in disrepair. There is an issue with timing with the pending Pennsylvania Department of Transportation (PA DOT) project, which will be part of the decision on whether or not the project can be completed in house, or if a contract will have to be used. The project will be discussed with the Strategic Planning Committee, as there may be an opportunity to move a 2018 slated project into 2019 in order to have the funds to complete prior to the PA DOT resurfacing project. It is unsure at this time if the replacement of the line can be submitted as part of the PA DOT project itself due to the timing of submissions, and potential higher cost.

- b. Financial Reports (continued): The Finance Committee reviewed and agrees with the financial reports as presented.
 - c. Utility Billing: The report has been condensed to show increase or decrease to common watch numbers. Of the amount past due, over \$14K is eligible for shut off. Of that amount, it is expected MAWSA will collect close to \$3,700.
- Mr. Baker moved to approve the vouchers for \$71,759.51 and vouchers received after the reports were run for \$71,015.36, and ratify payments made prior to the meeting for \$10,115.28; second by Mr. Sweater. Motion passed unanimously.
- d. Calculation of Operating Reserve Requirements: The calculations page was reviewed by Ms. Tobias. As per the capital policy, February is the month for rolling over excess operation and maintenance (O&M) revenues from the year prior into the capital fund. Water O&M will transfer \$456,900 to water capital and wastewater O&M will transfer \$305,200 to wastewater capital. Both amounts are higher than what was anticipated.
- Mr. Sweater moved to approve the operation and maintenance rollovers to capital; second by Mr. Ardini. Motion passed unanimously.
- Mr. Sweater moved to approve the financial reports as presented; second by Mr. Ardini. Motion passed unanimously.
- e. PRWA: The Pennsylvania Rural Water Association is looking for a participant from Lancaster County to serve its board.
 - f. Committee Reports
 - i. Personnel Committee: The Committee is looking to meet with the Executive Team prior to the March meeting.
 - ii. Property Committee: No items to report.
 - iii. Strategic Planning Committee: The Committee is slated to meet in April.

V. New Business

- a. Continuing Education: Mrs. Hoover has submitted a request to change her fall 2018 class to summer. The Board concurred with the change.

VI. Old Business

- a. No items were presented.

VII. Adjournment

- Mr. Sweater moved to adjourn 7:48PM; second by Mr. Baker. Motion passed unanimously.

Respectfully Submitted,
Candace L. Hoover, Recording Secretary

MANHEIM AREA WATER & SEWER AUTHORITY MINUTES OF MARCH 8, 2018

- I. Call to Order/ Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at 7:07PM.
 - a. Attendance: Chairman Robert Miller, Secretary Paul Shaffer, Assistant Sec./Treas. Jeffrey Sweater, and Members Charlie Heisey, and Andrew Nelson
 - b. Absent: Vice Chairman Wade Baker, and Treasurer Joe Ardini
 - c. Staff: Manager Terry Shaffer, Financial Comptroller Deb Tobias, Facilities Manager Sam Getz, Water Operator Nicole Bushong, and Billing Admin./Recording Secretary Candace Hoover

- II. Approval of Minutes of February 9, 2018
 - Mr. T. Shaffer entertained a Motion to approve the Minutes of February 8, 2018 with the attendance correction submitted after the packets were issued; moved by Mr. Sweater; second by Mr. Miller. Motion passed unanimously.

- III. Reports
 - a. Engineering
 - i. Hydraulic Model & Tapping Fees: Mr. Kline indicated that the model will need to be updated in order to assure its accuracy during the review of the pending new development. Additionally, SSM is going to review the recently revised tapping fee.
 - ii. CFA¹ Grant: Mr. Connelly reported that CFA received almost 700 applications for almost \$180 Million in requested assistance, with \$25 Million available for award.
 - iii. Sun Hill Tank: Worldwide Industries was the lowest bidder.
 - iv. Market Square: SSM has submitted an authorization of services for submission of an HOP for Penn DOT². Survey crews were already on site. Staff would like to begin the replacement the week of March 19.
 - v. Sewer Connection Request: Mr. Kline indicated that there is a potential service to be added from north of the Borough.
 - b. Manager's Report
 - i. Sun Hill Tank: The lowest bid was for \$83,700, and the contractor's performance bond and certificate of insurance have been received as requested.

¹ CFA: Commonwealth Financing Authority

² DOT: Department of Transportation

- Mr. Sweater moved to award the Sun Hill Tank Coating bid to Worldwide Industries; second by Mr. Heisey. Motion passed unanimously.
- Discussion: The bid cost did come in under budget. The Finance Committee supports the bid cost.
- Motion passed unanimously.
 - ii. WWTP³: The considerable amount of precipitation is making treatment difficult; however, overall numbers are still great. Engineering and staff are looking at solutions to assist the plant in being more efficient, including increasing the efficiency of the wasting process, including a site visit. Mr. Kline discussed the facultative digestion process, and how operation of aerators process solids more efficiently.
 - iii. W. Gramby St.: Televising of West Gramby Street’s sewer main yielded negative results, including tree roots and infiltration. Staff is presently jetting the line twice a week. Mr. T. Shaffer has a quote from Mr. Rehab, a Costars participant, to clear and line the main. The project would also be within budget.
 - iv. Hauled Waste: Revenues were good considering the high precipitation.
 - v. Audit: The auditors were on site last week and have gathered the data they need to work off site.
- c. Financial Reports:
 - i. Payables: Ms. Tobias reviewed the non-monthly invoices on water and wastewater.
 - ii. Checks Issued Prior to Meeting: The spring PNC Bank and WWTP Series Loan payments were paid.
 - iii. Water Revenue & Expenses: The Refund of Prior Year’s Expenses was for a refund from the municipal insurance cooperative that MAWSA participates in
 - iv. Wastewater Revenue & Expenses: The debt service payments were heavy hitters, and there is also a refund of prior year’s expenses for the cooperative.
 - v. Water Revenue and Expense Budget vs. Actual: February is 16% of the year. Total revenue and expenses are tracking extremely well. Water breaks are at approximately 50% for the year.
 - vi. Water Capital Budget: Water has funds for additional projects.
 - vii. Wastewater Revenue and Expense Budget vs. Actual: Revenues and expenses are doing well.

³ WWTP: Wastewater Treatment Plant

- viii. Water Previous Year Comparison: The major difference between 2017 and 2018 is the timing of the collection of expected tapping fees.
- ix. Wastewater Previous Year Comparison: The major difference between 2017 and 2018 is due to the reallocation of penalties to water due to a system update last year that had pushed penalties more heavily to sewer, coupled with savings within the Biosolids program, and reduction in hot lime use. The natural gas expense is higher this year due to the cold snap 2018 presented. A new supplier contract has been signed with Snyder Brothers for a better rate. The electric comparison timing is off. One of the payments made in 2017 had to be allocated in 2018.
- x. Meter/Transmitter Replacement Program: This item was tabled for additional research.
- xi. Vouchers

➤ Mr. Heisey moved to authorize payment of vouchers totaling \$71,277.07, ratify payment made prior to the meeting, including paid debt service totaling \$198,399.44, and to approve payment of vouchers received after meeting reports were submitted totaling \$5,493.96; second by Mr. Nelson. Motion passed unanimously.

- d. Personnel Committee: Meeting pending within 2 weeks, possibly for 3/22.
- e. Strategic Planning Committee: Slated to meet in April.
- f. Property Committee: No items at this time.
- g. Source Water Protection: Mr. Sweater indicated that the advisory board would like to appoint Nicole Bushong to the Committee. A creek survey was conducted to plan for a community cleanup. Mr. Sweater believes that Ms. Bushong would make a great addition, and recommends her appointment. Mr. T. Shaffer concurred

➤ Mr. Sweater moved to approve Ms. Bushong's appointment to the Source Water Protection Board; second by Mr. P. Shaffer. Motion passed unanimously.

- i. Mr. Miller thanked Ms. Bushong for volunteering.

IV. New Business

- a. Holly Tree Road Connections

➤ Mr. Nelson moved to authorize the provision of a written mandatory connection enforcement request to the Township Authority as per section 13 and 14 of the 2003 agreement with NWLCA for the remainder of the unconnected properties on Holly Tree Road; second by Mr. Sweater. Motion passed unanimously.

V. Announcements

- a. Mr. T. Shaffer reviewed the announcements from PA Rural Water and PMAA on the agenda. He would like for staff to attend the PMAA Conference to review the new PA One Call Law.
- b. Ethics Forms: A reminder for form remittance was issued.

VI. Adjournment

- Mr. Sweater moved to adjourn at 8:17PM; second by Mr. Nelson. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

MANHEIM AREA WATER & SEWER AUTHORITY MINUTES OF APRIL 12, 2018

As amended and approved May 10, 2018

- I. Call to Order/ Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at 7:03PM.
 - a. Attendance: Chairman Robert Miller, Vice Chairman Wade Baker, Secretary Paul Shaffer, Treasurer Joe Ardini, , and Member Charlie Heisey
 - b. Absent: Assistant Sec./ Treas. Jeffrey Sweater and Andrew Nelson
 - c. Staff: Manager Terry Shaffer, Financial Comptroller Deb Tobias, Facilities Manager Sam Getz, Water Operator Nicole Bushong, and Billing Admin./ Recording Secretary Candace Hoover
 - d. Engineering: Carl D. Kline, Jr. - SSM

- II. Approval of Minutes of March 8, 2018
 - Mr. Miller entertained a Motion to approve the Minutes of March 8, 2018 with the attendance correction submitted after the packets were issued; moved by Mr. P. Shaffer, second by Mr. Heisey. Motion passed unanimously.

- III. Visitors
 - a. Mr. McElhaney rescheduled for the May meeting.

- IV. Reports
 - a. Engineering
 - i. Chapter 94: The annual report was submitted on time.
 - ii. Water Tower: The handrail is in place.
 - iii. Market Square: Penn DOT would like additional work done. There is a meeting scheduled to go over their needs.
 - iv. Hydraulic Model: SSM has purchased additional software to accommodate MAWSA's system.
 - b. Manager's Report
 - i. 44 Market Square: An Almost 500 foot of water line was replaced.
 - ii. North Charlotte Street: A break opened up about 5 feet from the repair area, which has been repaired.
 - iii. Chapter 110: Ms. Bushong submitted the report.
 - iv. Water Tower: The second sealer coat is in progress. There are two additional coats to go on. The coating product chosen was selected for its ability to increase durability.
 - v. Penn DOT: Penn DOT has begun on North Main Street has begun with the lowering of gas lines.
 - vi. Report Update: The format has been changed to mirror a new financial report for ease of clarity.

- vii. Water Loss: The leak on Market Square, and a few other leaks found during the leak survey attributed to the difference for March. Historically, customers also utilize less water during March.
- viii. Hauled Waste: Almost a week of operations was lost due to weather related events. Averages should do well regardless.
- ix. West Gramby Street: Almost 600 feet of sewer main relining was completed. The life expectancy should now be extended by 30 to 40 years.
- x. Employees: Dave Beckman is working out well, and Mike Travitz has accepted the offer of employment, and will start soon.

c. Financials

i. Financial Reports

1. Water Payables:

- a. Transmitters were ordered from Mueller.
- b. Penn Town Center: There is a pass through tap fee for the pizza shop going in, and an application has been received for a fast food restaurant as well.
- c. Steel Plate: Water and sewer split the cost for the plate.

2. Wastewater Payables

- a. VFD: Utility Water had a VFD installed.
- b. Backhoe: The backhoe needed major repairs. A third of the cost will be invoiced to the Borough.

3. Water Revenue & Expense Report

- a. Expenses and revenue both look well.

4. Wastewater Revenue & Expense Report

- a. Revenue and expenses both end well.

5. Water Budget Versus Actual

- a. The budget period is 25%. Reports are on target for revenue and below on expense.

6. Wastewater Budget Versus Actual

- a. Reports are on target for revenue and below on expenses.

7. Water Previous Year Comparison

- a. Tapping fees look different, but revenue is on target for the 2018 budget.

8. Wastewater Previous Year Comparison

- a. Both revenue and expenses are extremely similar.
- b. 429.734 & 429.368: This time last year there was an expenditure of almost \$24K. A large part of that is the new belt filter press, pug mill, auger, and expanded Biosolids drying area have all attributed to the large cost savings.
- c. Finance Committee has met and reviewed the report

- Mr. Miller entertained a Motion to accept the financial reports as presented; moved by Mr. Ardini, second by Mr. P. Shaffer. Motion passed unanimously.

ii. Vouchers

- Mr. Miller entertained a Motion to authorize payment of the vouchers, ratify payments paid prior to the meeting, and authorize payment of vouchers received after the meeting reports were run for \$260,876.87 as presented; moved by Mr. Ardini, second by Mr. P. Shaffer.

iii. Water & Wastewater Capital Budgets: Ms. Tobias explained the layout of the report, which was revised to provide additional clarity and enhanced transparency.

iv. Water Meters and Transmitters: The Auditor suggests that replacement water meters and transmitters are more appropriately reported as operations and maintenance rather than capital, unless the meters/transmitters purchased within the fiscal year exceed 8% of the system. If the 8% is exceeded the meters/transmitters will become capital, and any prior purchases will be reimbursed to operations and maintenance. The Capital Policy will be revised to accommodate this revision

d. Utility Billing

- i. Open Balance: As of today, open balance are lower by \$74K than last month at this time.
- ii. The phone call notification system is being updated.
- iii. Payment Types: Customers are electing to utilize more time-consuming payment methods, which is slowing processing.
- iv. Liens balances are decreasing.

e. Personnel Committee

- i. The Committee met and reviewed the benefits changes, and cleared up some misconceptions. An additional meeting will need to be held to review the benefits and compensation survey, and discuss layering certifications. Mr. T. Shaffer has been in discussions with engineering already in order to try, and assist staff with certifications. Mr. Baker would like to see making certifications worthwhile to the employees.

f. Property Committee: No items to report.

g. Source Water Protection: Ms. Bushong reported there is a meeting in May. The creek cleanup will be postponed to the fall. Mr. Kline spoke with a Mike Wolgemuth, who believes the cleanup could even be postponed until 2019.

h. Strategic Planning Committee: A meeting has been scheduled for April 19.

V. New Business

a. Resolution 4-2018: Records of Disposition

- Mr. Miller entertained a Motion to approve Resolution 4-2018 as presented; moved by Mr. P. Shaffer, second by Mr. Heisey. Motion passed unanimously.

VI. Announcements

- a. PMAA 4/19 and 4/25 Spring Workshops: Mr. Ardini will be attending.

VII. Adjournment

- Mr. Miller entertained a Motion to adjourn at 7:56PM; moved by Mr. Baker, second by Mr. Ardini. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

**MANHEIM AREA WATER AND SEWER AUTHORITY
MINUTES OF MAY 10, 2018**

- I. Call to Order/Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at 7:00PM
 - a. Attendance: Chairman Robert Miller, Secretary Paul Shaffer, Treasurer Joe Ardini, Assistant Secretary/Treasurer Jeffrey Sweater, and Members Charlie Heisey and Andrew Nelson
 - b. Absent: Vice Chairman Wade Baker
 - c. Staff: Manager Terry Shaffer, Financial Comptroller Deb Tobias, Facilities Manager Sam Getz, Water Operator Nicole Bushong, Water & Wastewater Technician Keary Smith
 - d. Engineering: Mr. Carl Kline and Mr. Dan Connelly – Spotts, Stevens, and McCoy (SSM)

- II. Visitors
 - a. Leon Bame, Jr. of 787 Holly Tree Road, Thomas McElhaney, DVM of 30 South Main Street, Michael Reiner and Steve Brubaker of Sager Swisher & Co., LLP, and Mrs. Keary Smith.
 - b. 2017 Audit
 - i. Mr. Reiner reported that MAWSA had a clean and unmodified report, including pension.
 - ii. Cash is now segregated from capital funds, a change from 2016.
 - iii. Cash position increased over 2016.
 - iv. Capital assets did not have significant changes, and the report includes depreciation.
 - v. Outflows includes pension activity.
 - vi. Accounts payable went up due primarily to two projects; Logan Avenue, and the High Service Pumps projects, which carried over from a prior year.
 - vii. Over a million in debt was retired in 2017, and 2018 has over \$1 million more slated for payoff.
 - viii. Revenue did decrease in some areas, but increased in others.
 - ix. Tapping fee revenues were down in 2017.
 - x. Expenses decreased primarily due to changes in engineering costs, and repairs and maintenance costs.
 - xi. Depreciation also decreased as assets reached, or neared, full capitalization.
 - xii. New debt issuances occurred in 2017.

- xiii. Water and wastewater both realized a net change in position in similarity with 2016.
- xiv. Cash flow position did increase in 2017 in operations.
- xv. GASB¹ 68 requires reporting on pensions, which are illustrated in the reports on pages 8 and 9 of the audit.
- xvi. The subsequent reporting includes notes on financial practices and credit risk.
- xvii. Additional highlighted notes of the audit presentation includes the final pages of the notes to the financial statements and the following supplemental reporting pertaining to pension liability. The Authority continues to show financial responsibility by maintaining a 90% funded pension plan.
- xviii. The audit includes a letter from Sager, Swisher.
- xix. Clarification was provided on the Authority's designation as a component unit of the Borough of Manheim within the audit. The Authority members are appointed by Council, and the Borough guarantees a large segment of the Authority's debt, thereby requiring the Borough to include the Authority's financial audit as a part of their own.

➤ Mr. Miller entertained a Motion to accept the 2017 audit as presented; moved by Mr. Sweater, second by Mr. Nelson. Motion passed unanimously.

c. Mr. Thomas McElhaney

- i. Mr. McElhaney was present to lodge a complaint regarding the shut off notice policy.
- ii. He has had a business in Manheim for going on 22 years, and also lives in Manheim.
- iii. Mr. McElhaney received a 10-day shut off notice, a 48-hour shut off notice, and a 24-hour shut off notice. The notices did not include the same balances. (Each notice is \$38.50, and the fee was included on subsequent notices as per the language on the document in accordance with winter service discontinuance policy.)
- iv. Mr. McElhaney is not in favor of the additional notifications, as people who have not paid the bill probably could not afford the bill, and therefore the additional charges exacerbate that inability.
- v. The board recommended that Mr. McElhaney to get ahead of his balance in the future.

d. Leon Bame, Jr.

- i. Mr. Bame reported that he received a notice to connect to the public water a year ago.

¹ GASB: Government Accounting Standards Board

- ii. He attempted to obtain permitting from Penn Township and was redirected to MAWSA for the water tapping fee, though he was not allowed to pay the tapping fee without the necessary paperwork.
 - iii. Mr. Bame received the paperwork shortly thereafter, and aligned a contractor, a check, and permitting paperwork. The check was from his employer for the old tapping fee in 2016.
 - iv. After a few months the contractor told Mr. Bame that municipalities would not be in a hurry to make him connect.
 - v. Mr. Heister of Penn Township called Mr. Bame regarding his connection, but afterward, was informed that the tapping fee had since increased (in 2017), and his check was not written for enough.
 - vi. It was noted that MAWSA has a loss of revenue for the time he was not connected.
 - vii. It was requested of Mr. Bame to submit a copy of his signed contract, and that staff provide copies of the Township letters for the board to review at the June board meeting.
 - e. Keary & Jodi Smith
 - i. Mr. Shaffer introduced Mr. Smith, who has shown exemplary work performance and for whom he is recommending for permanent status.
- Mr. Miller entertained a Motion to approve the permanent status of Mr. Keary Smith; moved by Mr. Sweater, second by Mr. Ardini. Motion passed unanimously.

III. Minutes

- a. Mr. Kline was present at the April meeting.
 - b. Mr. Ardini indicated that on page three, the Capital Policy section should read, “the Auditor suggests that replacement water meters and transmitters are more appropriately reported as operations and maintenance rather than capital, unless the meters/transmitters purchased within the fiscal year exceed 8% of the system. If the 8% is exceeded the meters/transmitters will become capital, and any prior purchases will be reimbursed to operations and maintenance. The Capital Policy will be revised to accommodate this revision.”
- Mr. Miller entertained a Motion to approve the April 12, 2018 Minutes as amended; moved by Mr. Ardini, second by Mr. P. Shaffer. Motion passed unanimously.

IV. Reports

- a. Engineering
 - i. Sun Hill Tower: The painting is complete. Some caulking remains around the handrails, and Mr. Connelly is recommending release of payment application #2, with retainage of the remaining funds until punch list items are completed.

- ii. Mr. T. Shaffer and Mr. Connelly attended a teleconference with Rapho Township and the Township's engineers regarding the need for a sewer connection, as part of their review of potential connection options. The Township has offered to pay SSM for the sewer system evaluation. MAWSA would not be opposed to working with the Township regarding their connection needs.
 - iii. Tapping Fees: SSM is looking to review the tapping fees with the updated 2017 audit figures.
 - iv. Source Water Protection Grant: It is not likely that MAWSA will qualify for the grant being offered.
 - v. CFA Grant Application: The reviews are anticipated to take place in July.
 - vi. Environmental Recovery Corporation: Mr. Kline and Mr. T. Shaffer have scheduled to do a hauled waste acceptance application review at the end of the month.
- b. Management and Operations
- i. Hauled Waste: Positive flows and revenues last month. Mr. T. Shaffer reported that Mr. Getz has been keeping very good Nitrogen and Phosphorus effluent levels. The past month was very rainy, and staff was able to maintain effluent through their efforts.
 - ii. Sun Hill Tower: There is some curvature rust that will be taken care of prior to release of the payment retainage.
 - iii. Penn DOT: The manhole numbers and setbacks have been issued to Penn DOT, and all of their inquiries, thus far, have been responded to. They are looking to be done by October.
 - iv. Fencing: Mr. T. Shaffer indicated that fencing will be put up pending quote confirmations.
 - v. Committees: Strategic Planning Committee met on April 19, and Personnel Committee met on April 30.
 - vi. Employees: The new employee, Mike Travitz, is working out well.
 - vii. Main Break: The Grant Street line was a difficult replacement because the road was stabilized with several inches of rebar and concrete as an alternate route for truck traffic.
 - 1. A line on Eby Street was also repaired.
 - viii. Backstage Pass: Mr. T. Shaffer reported that Mrs. Hoover was recognized for participation in Billtrust's client program as the most participating individual, she is also among their top performing clients for electronic bill adoption and days of sales outstanding management.

V. Financials

a. Vouchers

- i. Ms. Tobias reviewed the financial reports, highlighting an invoice from Mr. Rehab for the sewer relining, and a Pipedata invoice for root cutting.
- ii. AC Schultes claimed to have not received their first check. A new check was issued and has cleared.

- b. Revenue & Expense Reports
 - i. April puts the Authority at 33% of the year. Revenue and expenses are both doing well.
 - ii. Budget versus Actual: Revenues and expenses are on target. Hauled Biosolids and Quick Lime are well below budget due to operational enhancements.
 - iii. Previous Year Comparisons: Income differences are related directly to tapping fees, which was anticipated. Expenses are slightly higher at this time this year than at this time last year due to an increase in water main break repairs and fluctuation in a few line items, but nothing that is significantly out of line.
- c. Special Payment Approvals
 - i. The first three requests are to release balances of escrows to developers for closed projects. The fourth is a request from staff to reimburse an overpayment to a resident that double paid their account, as per policy.
- Mr. Miller entertained a Motion to authorize release of Item 1; moved by Mr. Nelson, second by Mr. P. Shaffer. Motion passed unanimously.
- Mr. Miller entertained a Motion to authorize release of Item 2; moved by Mr. Heisey, second by Mr. Nelson. Motion passed unanimously.
- Mr. Miller entertained a Motion to authorize release of Item 3; moved by Mr. Sweater, second by Mr. Nelson. Motion passed unanimously.
- Mr. Miller entertained a Motion to authorize release of Item 4; moved by Mr. P. Shaffer, second by Mr. Heisey. Motion passed unanimously.
- ii. Capital Budget: The report is intended to illustrate where the capital budget stands, and which projects remain. Ms. Tobias reviewed the capital budget tracking pages.
- d. Finance Committee has reviewed the report and finds it in good standing.
- Mr. Miller entertained a Motion to accept the financials as presented; moved by Mr. P. Shaffer, second by Mr. Sweater. Motion passed unanimously.
- Mr. Miller entertained a Motion to approve and ratify vouchers as presented; moved by Mr. Sweater, second by Mr. P. Shaffer. Motion passed unanimously.
- e. Capital Assets Policy: Revisions were reviewed by Finance Committee to allow for provisions for bulk purchases to be reimbursed by capital such as the water meters.

- f. Utility Billing: Mr. T. Shaffer applauded Mrs. Bell for her assistance with payments and collections, which has freed up staff to pursue additional avenues.
- g. Committee Reports
 - i. Personnel Committee: Health Savings Account discussions were held on April 30, 2018 to determine continually funding the deductible, health plan policy dates, and an assistant manager/facilities manager job description. The committee is looking to put out an ad in the near future. They are looking to add a layer of licensure for Mr. Getz and Ms. Bushong at the water and wastewater facilities as well.
 - 1. Personnel Committee is looking to establish a policy for funding the HSA. Presently the deductible is funded on January 1 and July1. The revision would allow for monthly funding of the HSA instead of bi-annually. The Committee would also like to start a wellness committee.
 - ii. Property Committee: No items to report.
 - iii. Source Water Protection: A meeting is scheduled for later this month.
 - iv. Strategic Planning Committee: Whitebirch was reviewed on April 10. Budget will be reviewed for several projects due to the main breaks.

VI. Old Business

- a. None.

VII. Announcements

- a. None.

VIII. Adjournment

- Mr. Miller entertained a Motion to adjourn at 8:44PM; moved by Mr. Sweater, second by Mr. Nelson. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

**MANHEIM AREA WATER AND SEWER AUTHORITY
MINUTES OF JUNE 14, 2018**

- I. Call to Order/Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at 7:05PM
 - a. Attendance: 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
 - i. Mr. Baker arrived at 7:34PM.
 - b. Staff: Manager Terry Shaffer, Financial Comptroller Deb Tobias, and Operations Supervisor Sam Getz
 - c. Engineering: Mr. Carl Kline and Mr. Dan Connelly – Spotts, Stevens, and McCoy (SSM)
 - d. Absent: Treasurer Joe Ardini

- II. Visitors
 - a. No visitors were present.
 - b. Discussion was held on Mr. Bame’s case from the May board meeting.

➤ The Board concurred to uphold the current tapping fee rate.

- III. Minutes of May 10, 2018

➤ Mr. Miller entertained a Motion to approve the Minutes of May 10, 2018 as presented; moved by Mr. Sweater; second by Mr. Nelson. Motion passed unanimously.

- IV. Reports
 - a. Engineering
 - i. ERC¹: ERC submitted a request for entrance into the hauled waste program. Mr. Kline has reached out to Material Matters for a copy of MAWSA’s plan in order to complete the review of the request.
 - ii. WWTP² Site Visit: SSM was on site to review piping status and familiarize themselves with the facilities to see where they may be of assistance.
 - iii. Sun Hill Water Tower: The caulking on the handrail is still incomplete, and the site key still needs returned. Mr. Connelly rescinded his recommendation of release of final payment based on these events.

¹ ERC: Environmental Recovery Corporation

² WWTP: Wastewater Treatment Plant

- iv. Market Square: A follow up invoice reflecting the supplemental HOP³ plans have been issued due to the extension of the project area, which was required to capture the remainder of the leaking line.
 - v. WAS⁴ Pumping Evaluation: The results will be reviewed next week. The goal is to devise a way to better control processing.
 - vi. Water Distribution System Model: When the evaluation is complete, Manheim Commons' and Penn Station's plans will be reviewed.
 - vii. Rapho Township Extension of Service: The feasibility request was received this week, and will be reviewed. The Township may be in attendance at the July Board Meeting.
 - viii. CFA⁵ Grant: Applications are allegedly going to be awarded on July 12.
 - ix. Miscellaneous Projects: Mr. Kline met with Mr. T. Shaffer to discuss potential future, and current projects; hydraulic model, tapping fee review, Park Hill Booster Station review, filter changes efficiency updates, wasting efficiency updates, water filtration method review, WWTP conveyor and press, Penn Township Interconnect, storage, oncoming developments, additional security measures, etc. so that each project taken on and completed is in alignment with future goals.
- b. Management and Operations
- i. Water Use: Hydrants were flushed and repairs were made, and other leaks were also repaired.
 - ii. Quarry Fencing: A revised quote was received, and pins placed for fencing.
 - iii. Shared Access: An old agreement was found regarding shared access near one of the water storage facilities. New laws are in place for securing facilities, so the Solicitor will need to review the agreement to assure it is in alignment with security requirements.
 - iv. Collapsed Sewer Main: Mr. Getz and Mr. T. Shaffer will be in contact with Mr. Rehab to repair the West Ferdinand Street collapsing main. Mr. Sweater indicated that the liners have the strength to withhold dirt, and could extend the life of the line for up to 40 years.
 - v. Water Loss: After utilized water is incorporated into the equation, loss is still lingering at about 10%. SRBC requires that we maintain at 20%. Mr. Kline recommends that staff remind SRBC that we are consistently below the 20% and are therefore eligible to discontinue certain reporting.
 - vi. Hauled Waste: Mr. T Shaffer reviewed the hauled waste report. Mr. Miller reiterated that the revenues have increased, that May had a large billing that was just issued, and a large payment came in on June 1 that is not illustrated in the May reports.

c. Financials

³ HOP: Highway Occupancy Permit

⁴ WAS: Waste Activated Sludge

⁵ CFA: Commonwealth Financing Authority

- i. Revenue & Expense Reports
 1. Cash Available: Ms. Tobias reported that balances continue to increase.
 2. Water Revenue and Expense: A large amount of single homes have connected, illustrating a large amount received for tapping fees.
 3. Water expenses illustrate a negative number due to a hydrant that was hit by a drunk driver on Easter Sunday.
 4. Net water has a good status.
 5. Overall net wastewater has a good status as well.
 6. Maintenance Repair – Special Equipment: The WWTP sampler was hit by lightning, and it was covered by insurance.
 7. Water Budget vs. Actual: Revenues and expenses should be at 48% through the end of May. Revenue is slightly over.
 - a. Tapping fees look healthy with the beginning of spring construction.
 - b. Billing and collections are on target as well.
 - c. Water breaks is slightly above the target point, but has remaining revenue available if necessary.
 - d. Net income is above, as it should be with the fall debt service payment pending. It is a good position to be in at this point in time.
 - e. Expenses are also on track to balance out with the fall debt payment.
 8. Wastewater Budget vs. Actual: Billing and collections are on track.
 - a. EDU Audits are pending, but overall revenues are on track.
 - b. Overall revenues and expenses are ahead.
 9. Water Previous Year Comparison: The difference in income is due to tapping fees.
 - a. Expenses are up 4.9% from this time last year, mainly due to main breaks. The Authority was more fortunate with breaks last year.
 10. Wastewater
 - a. Revenue is slightly down with the timing of payment receipt. Otherwise, it is comparable.
 - b. Biosolids: Expenses are significantly lower with Biosolids and hot lime due to the new press. The investment in the press is calculated to have already been paid for through these recognized cost savings.
 - c. Hauled Waste: A \$40K payment that should have been received in May's cash did not come in until June, so it will be on June's reports. The overall program is only \$2,400 under budget so far.

- d. Certification Fee: Ms. Sasha McComsey received another subclass, and Mr. Paul Bell received an additional certification. The invoices for these are within the vouchers.
 - e. Valve: The high service pump valve that was removed from the A.C. Schultes contract for staff to install has been ordered.
 - f. Finance Committee reviewed the reports prior to the meeting.
- Mr. Miller entertained a Motion to accept and approve the financial reports as provided; moved by Mr. P. Shaffer; second by Mr. Baker. Motion passed unanimously.

ii. Vouchers

- Mr. Miller entertained a Motion to authorize payment of the vouchers for \$106,163.25, ratify payments made prior to the meeting of \$17,317.67, and to authorize payment of vouchers received after the meeting reports were submitted for \$21,700.38; moved by Mr. P. Shaffer; second by Mr. Sweater. Motion passed unanimously.

iii. Capital Budgets: Mr. T. Shaffer reviewed the layout of the contents of the capital budget reports, and highlighted some of the projects thereon. So far the projects therein are on track.

- d. Utility Billing: Collections and amounts billed are on track.
 - i. The billing software company is migrating to a newer software. A call has been put in to the sales representative regarding costs and functionality.
 - e. Personnel Committee: The HSA funding policy has been drafted and provided. Monthly funding is recommended, because it has incorporated foresight for changes in status.
 - 1. Mr. P. Shaffer noted that another option would be to front load the HSA cards at the beginning of the year, and then fund it month to month.
- Mr. Miller entertained a Motion to approve the policy as presented; moved by Mr. Baker; second by Mr. Heisey.
- Discussion was held on front loading the card at the beginning of the year. Mr. Baker noted that if an employee left, the funds for other employees would not be recoverable. With monthly funding pending medical bills can be put on payment plans with the understanding that additional fund will be forthcoming.
- Motion passed unanimously.

2. Wellness: A wellness plan is desired by the Committee. Mr. Baker indicated that healthcare may see another 20% increase. Wellness programs would benefit the staff. Mr. Baker believes MAWSA is behind the curve in developing a wellness policy.

- f. Property Committee: No report.
- g. Source Water Protection: No report.
- h. Strategic Planning Committee: Projects are moving as approved and projected.

V. Executive Session

- Mr. Miller entertained a Motion to recess to Executive Session to discuss a vision for the sense of topics of discussions relative to employment and employees at 8:10PM; moved by Mr. Wade Baker; second by Mr. P. Shaffer. Motion passed unanimously.
- Mr. Miller entertained a Motion to return from Executive Session at 8:30PM from discussing the vision of the sense of topics to be covered relative to employment and employees; moved by Mr. Heisey, second by Mr. Baker. Motion passed unanimously.

VI. New Business

- a. Financing: The 2008 Note for approximately \$3.4 Million has a make whole provision due this year.
 - i. Ms. Tobias explained that this means the fixed rate will be re-evaluated and issued, but the interest rate is presently unknown, and possibly a variable rate.
 - ii. Ms. Tobias and Mr. T. Shaffer reached out to the Financial Advisor for an evaluation of various options for this note.
- Mr. Miller entertained a Motion to authorize PFM to research options for the 2018 Note for a fee of \$1,000; moved by Mr. Nelson; second by Mr. Sweater.
- Mr. Baker opened discussion by noting that the debt could be made in monthly payments.
- Ms. Tobias noted that this will be reviewed in this analysis as part of the bond research.
- There is an elevated risk in the bond pool, as it was considered in past refinance options as well. It will continue to be a part of the overall evaluation process.
- Motion passed unanimously.

VII. Old Business

- a. Capital Policy Update: Mr. T. Shaffer would like to continue evaluating lifespans and warranties on the meters and transmitters before finalizing the policy.
- b. HSA Policy Update: See Personnel Committee report.

VIII. Announcements

- a. Planning and Growth: A think tank in Lancaster County was developed with Manheim as a projected growth area.
 - i. Nothing is imminent, but Mr. Miller and Mr. T. Shaffer met with the Borough Manager, Jim Fisher to discuss the matter. They have requested that the Borough provide a Council representative to act as liaison between the Authority and Borough.

IX. Adjournment

- Mr. Miller entertained a Motion to adjourn at 8:54PM; moved by Mr. Nelson, second by Mr. Sweater. Motion passed unanimously.

**MANHEIM AREA WATER AND SEWER AUTHORITY
MINUTES OF JULY 12, 2018**

- I. Call to Order/Pledge of Allegiance: Mr. Miller convened the meeting with the Pledge of Allegiance at 7:02PM.
 - a. Attendance: 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
 - i. Mr. Heisey arrived at 7:09PM.
 - b. Staff: Manager Terry Shaffer, Financial Comptroller Deb Tobias, Facilities Manager Sam Getz, and Billing Admin./Recording Secretary Candace Hoover
 - c. Engineering: Mr. Carl Kline and Mr. Dan Connelly – Spotts, Stevens, and McCoy (SSM)
 - d. Absent: Water Operator Nicole Bushong

- II. Visitors
 - a. Sara Gibson, Rapho Township Manager; Lowell Fry, Rapho Township Board of Supervisors Chairperson; Jamie Schlesinger, Director, PFM
 - i. Ms. Gibson was present to look at a hypothetical connection of a Township property in the Turnpike area to the MAWSA wastewater system. Mr. Fry stated that the area in discussion has small private sewer treatment systems. There is one business in that area that has no on site system, and they are trucking out their waste. He indicated that it could be cheaper in the long term to make a connection to MAWSA's system; however, other options are available.
 1. Ms. Gibson handed out feasibility maps showing hypothetical connection options. She noted that either way a connection is made; it will dramatically change the area, and affect the businesses and homeowners financially.
 2. The growth plan would need to be updated, involving not only Rapho Township, but Penn Township, and the Borough of Manheim as well.
 3. Ms. Gibson is available to field questions, and MAWSA's board is receptive to being part of the ongoing review of service options for this service area.
 4. Mr. P. Shaffer inquired about the Penn Township development near the possible connection route. Penn Township has not been approached regarding that development, because it was not a part of the feasibility study.
 5. Mr. Baker indicated that a joint effort would be more efficient, effective, and help Manheim's surrounding area growth.

6. Mr. Sweater stated that the option to run to MAWSA is a good plan as long as it does not overload the system. Mr. T. Shaffer reported that the inflow and infiltration project would continue.
 7. Mr. Ardini noted that if service mains passed through a farm as part of a utility right-of-way, it would not affect the farm's status as an agricultural lot.
 8. Mr. Nelson's company will be reviewing portions of the Rapho Township plan options, and will reclude himself from actions pertaining to their project.
- b. Jamie Schlesinger
- i. Mr. Schlesinger thanked the Board for the opportunity to continue to serve as the Authority's financial advisor.
 - ii. He reviewed the Authority's debt history, highlighting that the new tax reform has changed the market, affecting the Authority's options for handling the 2008 PNC make whole provision.
 1. Since the remainder of the 2008 PNC Loan only has a few years left on it, the savings amount will be small.
 - a. MAWSA has the option to do nothing, and let the rate reset to the variable rate; however, rates have been increasing regularly, which affects the short term rates, like the current loan under review. Rates could go up monthly after it is variable, and have recently been about 0.75%.
 - b. MAWSA could also renegotiate their current loan. An indicative rate has been received of 3.6%.
 - i. Budgetary-wise, a renegotiation means that the loan stays outstanding and documentations would be updated. The Borough would not have to re-guarantee the loan with this option, speeding up the process. If the rates hit the cap from day one (5.75%), the Authority would still recognize a net reduced cost of \$167,000. It would also remove all variable structures from the outstanding debt.
 - c. MAWSA could participate in a bond pool. There are risks associated with swaps used to lock in rates. If there is ever a default by one of the borrowers, it would affect MAWSA.
 - d. The loan term is only four years, so Mr. Schlesinger is not recommending a new loan as it would involve backing by the Borough, and increased time in processing.
 - e. Finance Committee: Mr. P. Shaffer stated that the Finance Committee recommends renegotiating the 2008 PNC Bank Loan.

- Mr. Miller entertained a Motion to move forward with Option 1(b) above to fix the 2008 PNC Loan at the estimated interest rate of 3.6%; moved by Mr. Sweater, second by Mr. Heisey. Motion passed unanimously.

III. Minutes of June 14, 2018

- Mr. Miller entertained a Motion to approve the Minutes of June 14, 2018 as presented; moved by Mr. Nelson, second by Mr. Sweater. Motion passed unanimously.

IV. Reports

a. Engineering

- i. Certifications: Mr. Kline indicated that all staff water and wastewater certifications have been submitted to Mr. T. Shaffer.
- ii. Mr. Connelly reported that Manheim Commons is still under review.
- iii. Mr. Getz and Mr. Connelly will need to coordinate hydrant flow testing in order to properly calibrate the hydraulic model.
- iv. SSM has signed an agreement for an office in Lititz.
- v. Mr. Miller noted that the Finance Committee discussed a tapping fee review for \$12K. The Committee noted that a study was just done by an engineer of record for \$10K. The Committee recommends holding off for a year or two on any additional studies to see where the Authority is at regarding its projects.

b. Management and Operations

- i. Mr. T. Shaffer has requested the enclosed project tracking spreadsheets from the engineers. (It can be found with their monthly report.) The report is to provide additional transparency.
- ii. Fencing Project: The fencing should be installed in August.
- iii. WWTP: Effluent levels are still fantastic. The new press and auger are producing a lot of savings.
- iv. Hauled Waste: \$50K was moved from 2018's books to 2017's per the Auditor's recommendation.
 1. Discussion ensued on cash versus accrual accounting practices.
- v. Nutrient Credits: Mr. T. Shaffer believes he has a buyer for the remaining credits.
- vi. Certification: Mr. Bell received a second DEP certification.
- vii. Assistant Manager: Ms. Susan Roche will start in August.
- viii. Chlorine: DEP is requiring a higher residual content of Chlorine in the drinking water of all public water suppliers. Customer education has been placed on the web site, and billing statements.
- ix. Water loss: Loss is back down to 9% as a whole due to leaks.

c. Financials

i. Revenue & Expense Reports

1. Cash: Cash in hand is the highest it has ever been, putting the Authority in good standing to pay the fall debt payment.

2. Water O&M: Net revenue is positive.
 - a. Hydrant repairs were unusually high due to the number of repairs taking place.
 3. Wastewater O&M: Net revenue positive.
 4. Water Revenue & Expense Budget versus Actual: June is mid-year. Revenues are tracking at 51.1%, illustrating that income is in-line. Expenses are tracking to level out after the debt service payment.
 5. Wastewater Revenue & Expense Budget versus Actual: The EDU audit will be conducted shortly, which may help revenue over the last half of the year.
 - a. Some of the shortfall is due to the hauled waste lag of unpaid invoices, as well as the January revenue being rolled back to 2017.
 - b. Expenses should level out after the fall debt payment.
 6. Water Previous Year Comparison: Ms. Tobias reviewed several line items including; tapping fees, fire protection, and water revenue current, and employee wages.
 7. Wastewater Previous Year Comparison: No anomalies noted.
 8. Accounts Payable Detail: A line item for Barrasso Excavation is for a galvanized line replacement that was on the Authority's side at the old Bickels Building and St. Paul's UCC (around 45 North Main Street).
 9. Hydrant Replacement: A victim's advocate is working with Ms. Tobias to make the Authority whole on the hydrant that was hit in a DUI accident on April 1, 2018.
 10. Fluid Pinpoint Services: Leak detection was completed.
 11. Sun Hill: The project came in \$58K below what was originally projected.
 12. Oxidation Ditch: One of the blowers went and was replaced. This is not a typical expense.
 13. Utility Water Pump: The pump died and had to be replaced.
 14. Finance Committee reports that the reports are in order.
- Mr. Miller entertained a Motion to accept and approve the financial reports as provided; moved by Mr. Ardini, second by Mr. Sweater. Motion passed unanimously.
- d. Vouchers
- Mr. Miller entertained a Motion to approve the vouchers for \$150,720.69, ratify payments made prior to the meeting for \$38,364.29, and to authorize payment of vouchers received after the packets were submitted for \$18,071.51; moved by Mr. Baker, second by Mr. Sweater. Motion passed unanimously.

- e. Water Capital Budget: Final payment for the Sun Hill Tower tank coating was just approved.
 - i. South Charlotte Street: The street paving project invoice has not been received yet.
 - f. Wastewater Capital Budget: Mr. T. Shaffer is pleased with the budget's standing so that the funds can be utilized to begin handling the interceptor repairs.
 - g. Utility Billing: Providing customer with an additional week to pay before providing shut off notices increased the amount of accounts that ran delinquent by double.
 - h. Committee Reports
 - i. Property Committee: The fencing at the water facilities needs to be reviewed based on new laws that have been passed. The Committee will schedule a conference call next week.
 - ii. Source Water Protection: No items to report.
 - iii. Strategic Planning Committee: The Committee will be meeting within the next month or two.
 - iv. Personnel Committee: Mr. Baker reported that the HSA is working out as planned, and that it is anticipated healthcare will possibly increase another 20%. Mr. T. Shaffer has discussed layering Staff with the Personnel Committee, which Mr. Baker was pleased to report.
- V. Executive Session
- Mr. Miller entertained a Motion to recess to Executive Session to discuss personnel matters at 8:51PM; moved by Mr. Baker, second by Mr. Ardini. Motion passed unanimously.
 - Mr. Miller entertained a Motion to close the Executive Session from the discussion of personnel matters at 9:32PM; moved by Mr. P. Shaffer, second by Mr. Baker. Motion passed unanimously.
 - Mr. Miller entertained a Motion to return to regular session; moved by Mr. Ardini, second by Mr. Heisey. Motion passed unanimously.
- VI. New Business
- a. No items to present.
- VII. Old Business
- a. No items to present.
- VIII. Announcements
- a. No items to present.
- IX. Adjournment
- Mr. Miller entertained a Motion to adjourn at 9:33PM; moved by Mr. Ardini, second by Mr. Nelson. Motion passed unanimously.

Respectfully Submitted,

Candace L. Hoover, Recording Secretary

**MANHEIM AREA WATER AND SEWER AUTHORITY
MINUTES OF AUGUST 9, 2018**

- I. Call to Order/Pledge of Allegiance
 - a. Mr. Miller convened the meeting with the Pledge of Allegiance at 7:03PM
- II. Roll Call
 - a. Board
 - i. 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
 - b. Staff
 - i. Manager Terry Shaffer, Assistant Manager Susan Roche, Financial Comptroller Deb Tobias, Facilities Manager Sam Getz, Water Operator Nicole Bushong, and Billing Admin./Recording Secretary Candace Hoover
 - c. Professional Services
 - i. Engineering: Mr. Dan Connelly – Spotts, Stevens, and McCoy (SSM)
- III. Visitors
 - a. No visitors were present.
- IV. Minutes of July 12, 2018
 - Mr. Miller entertained a Motion to approve the Minutes of July 12, 2018 as presented; moved by Mr. Sweater; second by Mr. Baker. Motion passed unanimously.
- V. Reports
 - a. Engineering
 - i. Inspection: Mr. Kline was on site during DEP's¹ inspection by Kevin Buss.
 - ii. Manheim Commons: Engineering is in conversations with the developer.
 - iii. Activated Sludge: The activated sludge report has been submitted to Mr. T. Shaffer and Mr. Getz for review and comment.
 - iv. Water Modeling: A time has been scheduled for hydrant flow testing, which will be utilized to update and complete the hydraulic model. The model can be used to assist with various system calculations such as; the impact of additional service connections, and Chlorine residuals.
 - v. ENR²: Discussion was held on how costly it would be to upgrade to an ENR treatment if Pennsylvania would decide to require it.

¹ DEP: Pennsylvania Department of Environmental Protection

² ENR: Enhanced Nutrient Removal

- vi. Ribbon Cutting: SSM is having a ribbon cutting ceremony on October 10 from 12PM to 2PM for their new office location in Lititz. The board and staff are invited.
- b. Management and Operations
 - i. Chlorine Residuals: Mr. T. Shaffer reported that Ms. Bushong has been diligently working to schedule and implement additional testing to assure continued compliance.
 - ii. Facility Security: DEP has suggested additional security at some of the water facilities. Additional security measures were discussed.
- Mr. Miller entertained a Motion, at the concurrence of the Property Committee, to authorize Mr. T. Shaffer to move forward with implementing lighting, tree removal, signage, and cameras at the water facilities as suggested by DEP; moved by Mr. Sweater, second by Mr. P. Shaffer. Motion passed unanimously.
- iii. WWTP³: Mr. T. Shaffer commended Mr. Getz on maintaining compliance at the plant considering the amount of the heavy rainfall that has occurred recently.
- iv. Nutrient Credits: Mr. T. Shaffer has signed a letter of intent to sell any remaining credits obtained by MAWSA to an unspecified entity.
- v. Mixers: The mixers are old, and need repair. Some are failing. Mr. T. Shaffer and Mr. Getz are working on a solution.
- vi. Hauled Waste: Numbers are lower due to the high rain flows. It was necessary to cancel the receipt of hauled waste during those periods, which helped to manage flows during the excessive rainfall.
- vii. Interceptor: Mr. T. Shaffer has a quote to televise and repair the first 575 feet of the interceptor. The cost per foot includes; camera work, grouting, pumping, mobilization, steam cured slip lining, and a 30 year guarantee.
 - 1. There is capital set aside for the repairs, and the contractor is a CoStars participant.
 - 2. If the Authority is fortunate enough to be awarded a CFA grant, it would have to be applied to work that has not yet been completed.
 - 3. The decision to do this particular section first, from manhole 3 to PS1⁴, is due to its location in relation to the Chiques Creek.
- viii. Biosolids: Mr. T. Shaffer has negotiated a contract with the biosolids hauler, Amerigreen, to hold the prices for the next five years.
- Mr. Miller entertained a Motion to authorize entering into the new contract with Amerigreen; moved by Mr. Sweater, second by Mr. Baker. Motion passed unanimously.

³ WWTP: Wastewater Treatment Plant

⁴ PS1: Pump Station 1

- ix. Assistant Manager: Mr. T. Shaffer introduced Ms. Susan Roche. She and he are working on the hauled waste program, and getting her acclimated to the workings of the Authority. Ms. Roche has experience in the gas and oil industry, and knowledge in the trucking industry.

VI. Financials

- a. Revenue & Expense Reports
 - i. Cash Available: Ms. Tobias reported that cash is on track to make the debt service payment, which will be for over \$1 Million.
 - ii. Water Revenue & Expenses: Hydrant and valve repairs were noted.
 - iii. Wastewater Revenue & Expenses: Overall net is a good status.
 - iv. Water Budget vs. Actual: Net income is trending ahead, but should balance to a more reasonable percentage when the debt service payment is made.
 - v. Wastewater Budget vs. Actual: The EDU audit is in need of completion, but revenue is tracking well. Net income is up based on projected year end, which will change after the debt service payment is made.
 - vi. Water Previous Year Comparison: Year to year is similar in comparison; however, water breaks and valve repairs were higher this year.
 - vii. Wastewater Previous Year Comparison: Revenue is slightly down, but should meet budget by year-end. Expenses are under, proportionately due to decreases in the biosolids, lime, and maintenance repair plant's line items.
 - viii. The Finance Committee has reviewed all of the financial reports.
- Mr. Miller entertained a Motion to accept and approve the financial reports as provided; moved by Mr. P. Shaffer; second by Mr. Baker. Motion passed unanimously.
- b. Special Payment Approval: Salem United Methodist Church had an escrow to develop and sell two lots. There are no longer any anticipated engineering or solicitor costs, so the balance of the escrow will need to be refunded to the church.
- c. Vouchers
 - i. PNC Loan: Water and wastewater both have PNC invoices which are atypical to monthly invoices, but are anticipated expenses.
 - ii. Pig Roast: Ms. Tobias noted that the summer picnic's total expenses ended at \$58, and was a positive morale booster.
- Mr. Miller entertained a Motion to approve the vouchers as presented for \$133,963.58; moved by Mr. P. Shaffer, second by Mr. Baker. Motion passed unanimously.
- Mr. Miller entertained a Motion to approve the release of escrow for Salem United Methodist Church through the Special Payment Voucher for \$1,742.00; moved by Mr. Baker, second by Mr. Sweater. Motion passed unanimously.
- Mr. Miller entertained a Motion to authorize payment of vouchers received after the reports were issued for the meeting for \$4,916.27, authorize reimbursement of the capital fund of \$2,000 from the operation and maintenance fund, and to ratify the payment of

vouchers paid prior to the meeting for \$21,374.22; moved by Mr. Ardini, second by Mr. Sweater. Motion passed unanimously.

d. Utility Billing

- i. The Authority's past due ratio is 19%, and its old debt ratio is 9.4%.

Additional calculations will be done to compare the current ratios to historic ratios as part of an overall evaluation on collections.

e. Personnel Committee: No items to report.

f. Property Committee: The Committee met in relation to the water facilities security measures discussed in Section V-b-ii.

g. Source Water Protection: Mr. P. Shaffer will not be able to make the next meeting due to a work conflict. Ms. Bushong and Mr. Sweater are planning to attend.

h. Strategic Planning: Mr. T. Shaffer is looking to hold a meeting with the Committee in early September.

VII. New Business

a. Attendance: Mr. P. Shaffer and Mr. Ardini will not be present for the September 13 meeting. Mr. Nelson may also have a scheduling conflict.

- i. Mr. Sweater is moving outside of the jurisdiction, and may not be able to attend after the September meeting.

- ii. Ms. Tobias will not be at the September, or October, meeting.

VIII. Old Business

IX. Announcements

X. Adjournment

- Mr. Miller entertained a Motion to adjourn at 7:56PM; moved by Mr. Nelson, second by Mr. Sweater. Motion passed unanimously.

Respectfully Submitted,

Candace Hoover, Recording Secretary

PROOF OF PUBLICATION NOTICE IN

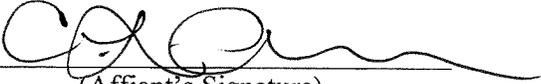
State of Pennsylvania}
 } ss:
County of Lancaster}

An Affiant of the County and State aforesaid, being duly sworn, deposes and says that the LNP, a daily newspaper of general circulation published at Lancaster, County and State aforesaid, was established 1794-1877 since which date said daily newspaper has been regularly issued in said county, and that a copy of the printed notice or publication is attached hereto exactly the same as was printed and published in the regular editions and issues of said daily newspaper on the following dates:

6TH DAY OF SEPTEMBER 2018

Affiant further deposes that he/she is the Clerk duly authorized by the LNP Media Group, Inc., a corporation, publisher of said LNP, a newspaper of general circulation, to verify the foregoing statement under oath, and also declares that affiant is not interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as to time, place and character of publication are true.

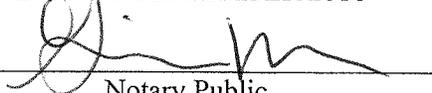
**MANHEIM AREA WATER
AND SEWER AUTHORITY
BOARD MEETING
CANCELLATION NOTICE**
MANHEIM AREA WATER
AND SEWER AUTHORITY
WILL BE CANCELLING THE
REGULARLY SCHEDULED
MONTHLY BOARD MEET-
ING ON SEPTEMBER 13,
2018, AT 7:00PM. THE
NEXT BOARD MEETING
WILL BE HELD ON OCTO-
BER 11, 2018, AT 7:00 PM IN
THE BOROUGH COUNCIL
CHAMBERS LOCATED AT
15 E. HIGH ST, MANHEIM,
PA 17545.



(Affiant's Signature)

COPY OF NOTICE OF PUBLICATION

Sworn and subscribed to before me this
6TH DAY OF SEPTEMBER 2018



Notary Public

Commonwealth of Pennsylvania Notary Seal
Gina Melasena Notary Public
Lancaster County
My commission expires October 25, 2021
Commission number: 1322462