

MANHEIM AREA WATER & SEWER AUTHORITY

Minutes of January 9, 2020

Borough Hall: 15 East High Street, Manheim, PA 17545

- I. Call to Order: Chair: Robert Miller; Vice Chair: Paul Shaffer; Secretary: Charlie Heisey; Treasurer: Barbara Horst; Assistant Secretary/Treasurer: John Haldeman, and Bernard Reiley
- a. Absent: Andrew Nelson
 - b. Staff: Manager: Terry Shaffer; Financial Comptroller: Deb Tobias; Operations Manager: David Schreffler; Water Operator: Mark Tyson; Billing Administrator/Recording Secretary: Candace Hoover
 - c. Engineer: Carl Kline, Jr., LO - SSM
 - d. Mr. Miller convened the meeting at 7:02PM with the Pledge of Allegiance.
- II. Reorganization
- a. Board Officers
 - i. Mr. Miller opened the floor for nominations. He offered that he would be willing to serve in any capacity if another would like to serve as Chair.
 - Mr. P. Shaffer nominated Mr. Miller for the office of Chair; second by Mr. Reiley. Mr. Miller accepted the nomination. Mr. P. Shaffer moved to close nominations for the office of Chair; second by Mrs. Horst. Motion passed unanimously.
 - Mrs. Horst nominated Mr. Heisey for the office of Vice Chair. Mr. Heisey nominated Mr. P. Shaffer for the office of Vice Chair. Mrs. Horst withdrew her nomination for Mr. Heisey; second by Mr. P. Shaffer. Mrs. Horst seconded Mr. P. Shaffer's nomination for the office of Vice Chair. Mr. P. Shaffer accepted the nomination. Mr. Reiley moved to close nominations for the office of Vice Chair; second by Mrs. Horst. Motion passed unanimously.
 - Mr. P Shaffer nominated Mrs. Horst for the office of Treasurer; second by Mr. Heisey. Mrs. Horst accepted the nomination. Mr. P. Shaffer moved to close nominations for the office of Treasurer; second by Mr. Reiley. Motion passed unanimously.

- Mrs. Horst nominated Mr. Heisey for the office of Secretary; second by Mr. Haldeman. Mr. Heisey accepted the nomination. Mr. Reiley moved to close nominations for the office of Secretary; second by Mrs. Horst. Motion passed unanimously.
- Mr. Heisey moved to nominate Mr. Haldeman for the office of Assistant Secretary/Treasurer. Mr. Haldeman accepted the nomination. Mr. P. Shaffer moved to close nominations for the office of Assistant Secretary/Treasurer; second by Mr. Reiley. Motion passed unanimously.

b. Committees

- i. Finance: Mr. Miller asked Mrs. Horst to chair and asked Mr. Haldeman and Mr. P. Shaffer to serve.
 - ii. Personnel: Mr. Miller asked Mr. Heisey to chair and asked Mr. Reiley to serve along with himself.
 - iii. Property: Mr. Miller asked Mr. Haldeman to chair and appointed Mr. Nelson to serve with himself.
 - iv. Strategic: Mr. Miller asked Mr. P. Shaffer to chair and Mr. Reiley and Mr. Heisey to serve.
 - v. Source Water Protection: Mr. T. Shaffer attends a few of the meetings. Mr. Kline is presently serving. He will continue to do so while mentoring Mr. Nelson and Mr. Tyson for the role.
 - vi. Mr. Miller asked Mr. T. Shaffer to maintain a list of alternates willing to serve.
- Mr. Miller entertained a Motion to elect the slate of officers; moved by Mrs. Horst; second by Mr. P. Shaffer. Motion passed unanimously.

III. Minutes of December 12, 2019:

- a. Mr. Kline indicated that Mr. Dan Standish is not in the roll call for engineering.
- Mr. Miller entertained a Motion to approve the Minutes of December 12, 2019 as amended; moved by Mr. Heisey; second by Mr. P. Shaffer. Motion passed unanimously.

IV. Reports

a. Operations

- i. WTP¹ Filters: Mr. Schreffler reported that Filter C repairs are complete. All 3 filters are now available for service.
 - 1. A Filter Performance Review was conducted by DEP², where a few verbal recommendations were

¹ WTP: Water Treatment Plant

² DEP: Pennsylvania Department of Environmental Protection

made. Mr. Tyson met with them over a 3-day period, for which Mr. Schreffler commended his performance. Mr. Tyson is now the Responsible Operator in Charge for the Water Treatment Plant. The Board congratulated him.

- ii. WWTP³: Mr. Schreffler commended Mr. Eichelberger, Assistant Water/Wastewater Operator, on his management of the hauled waste program.
 - 1. The Forward Flow Pump is out for repair.
 - 2. Clarifier #3: Has been an ongoing issue. The CoStars vendors did not come back with a good price. Mr. Schreffler and Mr. T. Shaffer would like to pursue other options. Mr. Kline will be discussing options with them. In the interim staff will use warmer day to clean out and prepare the tank for coating.

b. Management

- i. WTP: DEP has not issued a repair permit for Well Pump #4 yet.
- ii. A main break was discovered and repaired at an impressive rate on New Year's Eve on North Laurel Street. Mr. T. Shaffer spoke to Mr. Bell's workmanship in leading the Collection & Distribution responsibilities and repairs.
 - 1. Even though there were a number of breaks, the system still experienced a 6% water loss. Mr. T. Shaffer stated that when he started, the water-loss was near 46%. As a result of the ongoing significantly low water loss rate, the system is no longer on watch with SRBC.
- iii. WWTP Processing is showing an excellent reduction of Nitrogen and Phosphorus. There are significantly reduced flows as a result of the lining, which will all pay dividends in the future as the combined results allow for additional hauled waste receiving and increase nutrient credits available for sale.
- iv. Hauled Waste finished 2019 with approximately one month in revenue over budget.

c. Engineering

- i. Mr. Kline congratulated Mr. Tyson on becoming Responsible Operator in Charge.
- ii. Mr. Kline will be in touch with staff regarding the upcoming Industrial Pretreatment Program revisions.
- iii. Mr. Kline will be compiling the Chapter 94 Report

³ WWTP: Wastewater Treatment Plant

- on MAWSA's behalf.
- iv. CFA Grants are typically awarded in July.
 - v. The 2020 General Engineering Service Proposal is being worked on by Mr. T. Shaffer and Mr. Kline.
 - vi. Mr. Kline has a new boss, Ralph Johnson, whom will be introduced at a future meeting.
- d. Finances
- i. Ms. Tobias reported that the Cash Available was very near 2018's final figures, even with all of the repairs that have taken place.
 - ii. Water O&M⁴ R&E⁵ is negative as a result of multiple months of engineering invoices as well as expenses in relation to WTP filter repairs.
 - iii. Wastewater O&M R&E had a lot of expenses, but the net income was still very positive.
 - iv. Water O&M R&E Budget vs. Actual shows Water Revenue Current ended as budgeted. Overall total income was 90.5% of expected revenue.
 - 1. Expenses were over in total yielding a year end net revenue of 4.3%. The expected development, Manheim Commons, did not come online as expected. It is rumored that their Penn Township permit has been extended to April 2020.
 - v. Wastewater O&M R&E Budget vs. Actual: Total income met the anticipated revenue for the year; however, expenses were over budget and the net income overall was over budget.
 - 1. Mrs. Horst noted that in the past wastewater struggled with revenue more frequently than water.
 - vi. Water O&M Profit & Loss Previous Year Comparison shows an overall revenue decrease of 15% compared to last year.
 - 1. Looking to 2020, a savings is anticipated on engineering with Mr. Tyson taking over as Water's Responsible Operator in Charge.
 - vii. Water Capital Budget has payables present in this month's invoices.
 - viii. Wastewater Capital Budget also has a payable in this month's invoices.
 - 1. There are additional calculations that need to be run to determine if there will be a rollover; however, it is anticipated that over \$100,000 will be rolled into the 2020 capital budget.
 - ix. Vouchers: The invoice for Mueller is being held as 132 transmitters were incorrectly programmed

⁴ O&M: Operation and Maintenance

⁵ R&E: Revenue and Expense

and sent to MAWSA. 55 of those were already installed. Mr. T. Shaffer is pursuing a letter from Mueller explaining to our customers why we must now repeat our appointment and replace our equipment again. Additionally, the contract they provided for signature has an appendix for pricing that is blank.

1. There are a lot of safety equipment items on the current voucher list.
 - x. The Finance Committee indicated that they have reviewed the financial reports and recommend accepting them.
- Mr. Miller entertained Motion to approve the Financial Reports as presented; moved by Mr. P. Shaffer; second by Mrs. Horst. Motion passed unanimously.
- Mr. Miller entertained a Motion to authorize payment of the vouchers for \$72,415.80; ratify payments made prior to the meeting for \$15,348.97; and authorize payment of invoices received after the reports were run for \$43,844.19, and withholding the payment to Mueller; moved by Mr. P. Shaffer; second Mrs. Horst. Motion passed unanimously.
- xi. The 2019 Audit is scheduled for the end of February.
- e. Utility Billing
- i. Mrs. Hoover offered to make changes to her monthly report as needed. No recommendations were provided at this time.
 - ii. The industry standard for DSO⁶ is 40 days or less. Mrs. Hoover would like to achieve 30 or less.
- f. Personnel
- i. Mr. Miller reported that staff reviews are completed and 2020's healthcare rolled out.
- g. Property Committee
- i. Mr. Miller reported that walkthroughs of all facilities were completed and considered as part of the budget. He would like for walkthroughs to be completed annually, perhaps in August over a few days.
 1. A draft list of committee duties and possible meeting times were provided to board members. Mr. Miller challenged the Committee Chairs to make the schedules their own so they can be used for the future.
- h. Source Water Protection
- i. No items to report.

⁶ DSO: Days of Sales Outstanding

i. Strategic Planning Committee

- i. Mr. P. Shaffer reported that the Committee met in December to discuss the proposal for the Vac Truck. He passed out a packet with information on the proposed equipment and highlighted the first two pages. The capital asset would provide hard and soft cost savings, and increase safety. The annual maintenance costs were calculated and included on page three. The proposed financing term is 6-years, and it has been included in the revised draft budget. Also taken into consideration was the CAT Loader payment that will be paid out in its entirety in 2020. The Vac Truck payments are proposed to be split 70% wastewater/30% water instead of 50%/50%. It would turn out to a wash expense-wise on the water budget after the CAT Loader is paid off. The Strategic Planning Committee recommends the purchase of the Vac Truck.

V. Old Business

- a. The Finance Committee has reviewed the budget revisions. Ms. Tobias highlighted features of the budget revision report for both the water and wastewater revenue and expenses. Mrs. Horst noted that the budget should be reasonable as far as expected revenue and expenses, and that the Board be mindful of repairs that are needed. In the past there was too much deferred maintenance for the purpose of balancing a budget and maintaining rates. She would like to caution that repairs be made within reason. Mr. Miller noted that there is a give and take, because repairs must be proactive.
- Mr. Miller entertained a Motion to approve the revised 2020 Water and Wastewater Operation and Maintenance Budgets as presented; moved by Mr. P. Shaffer; second by Mr. Heisey. Motion passed unanimously.
- i. Miller feels the approved budget is responsible and prudent.
- b. Mr. T. Shaffer reviewed the 2 revisions made to the capital budgets. Ms. Tobias noted that if the grants are received, it would require some discussion mid-year.
- Mr. Miller entertained a Motion to approve the revised Water and Wastewater capital as presented; moved by Mr. P. Shaffer; second by Mr. Heisey. Motion passed unanimously.

- i. Mr. Miller thanked the staff and committees for their efforts.
- c. Owner Occupied Commercial Definition: Mr. T. Shaffer reported that the current rules and regulations were reviewed by the Solicitor. The clarification provided is that the Owner-Occupied Commercial revenue classes are 2 EDUs⁷ with 2 monthly base rate charges. Mr. T. Shaffer is recommending that the properties still be subject to EDU audits and tri-annual adjustments, and that the reservation of capacity for the second EDU be held by payment of the billing and payment of 2 monthly base rates as opposed to collecting the additional tapping fees. A determination will need to be made regarding the requirement in the Rules and Regulations for separate metering. The owner could appeal for a waiver of the additional meter requirement. Mr. T. Shaffer is to draft a language revision for approval at the February meeting.
- d. Mr. T. Shaffer reported that several misconceptions were cleared up with Realtors regarding the final request form. The draft form review will be tabled to the February meeting.
- e. Mr. Miller asked about the Pennsylvania Renaissance Faire and their wastewater needs. Mr. Haldeman noted that DEP is looking for the Township to expedite their decision for handling the Faire's wastewater plant. There has been rumored development activity in the Turnpike area, but it has been said that those developers are looking for existing utility facilities.
 - i. Discussion was held on DEP's reach and the implications that would be provided to whomever took over operation of the plant.

VI. Announcements

- a. Mr. Miller indicated that there is training available for board members, which is paid for by the Authority.

VII. Adjournment

- Hearing no further business, Mr. Miller entertained a Motion to adjourn at 8:55PM; moved by Mrs. Horst; second by Mr. Heisey. Motion passed unanimously.

Respectfully Submitted,

⁷ EDUs: Estimated Daily Uses (238 gallons per day for each water and wastewater per Resolution 1-2020)

Candace Hoover, Recording Secretary