

Washington Township Municipal Authority
Business Meeting Agenda
April 20, 2010
7:15 PM

1. Business from the Floor
2. Agenda
3. Minutes of April 6, 2010
4. Tapping Fees
5. Susquehanna Bank
6. Business Report
7. Municipality Credit Cards
8. Revised Statement of Intent
9. Ratification of the Bills
10. Water Department Report
11. Chlorine Monitoring
12. Sewer Department Report
13. Purchase Requests
14. On Demand Energy
15. Subdivisions
 - A. Food Lion
16. Miscellaneous
17. Adjourn

Washington Township Municipal Authority
Business Meeting Minutes
April 20, 2010

The meeting was opened at 7:15 PM by Chairman F. Eisenhart. Others present were L. Frantz, E. Gladhill, J. Blair, S. McFarland, B. Carrigan and S. Trinh. S. McCleaf arrived late.

Business from the Floor

There was no business from the floor.

Agenda

The Agenda was approved as presented on a J. Blair, L. Frantz motion (4-0).

Minutes of April 6, 2010

The Minutes of April 6, 2010 were approved as presented on a (4-0) motion. E. Gladhill abstained from the motion due to her absence for the April 6, 2010 meeting. S. McCleaf arrived during the approval of the April 6, 2010 minutes.

Tapping Fees

Mr. J. Donald, owner of the Golden Corral, and Mr. D. Rogers were present and provided documentation supporting Mr. Donald's appeal of the additional tapping fees for the restaurant as requested by the Board. Mr. Donald provided an affidavit from his Assistant Manager, Joe Monn, asserting the previous owner would not allow repairs for water leaks in the restaurant and had hauled a large amount of water from the restaurant over a two week time period during the quarter in question when Mr. Donald did not own the restaurant. A billing statement from Mr. Rogers was also provided for materials purchased in November 2008 to fix water leaks in the kitchen and the restrooms when Mr. Donald took the business back. The Golden Corral is currently being assessed 4 additional EDUs of sewer for a total of \$10,504.00 plus interest.

The Chairman suggested giving the Golden Corral a credit of 1.5 EDUs for the water that was allegedly hauled away and lost through leaks, reducing the additionally assessed EDUs from 4 to 2.5. When asked how he felt about the proposed credit, Mr. Donald indicated he would probably involve his attorney, Mr. Don Kornfield.

S. McCleaf made a motion to refer the matter to the Solicitor, and start the litigation process. S. Trinh advised the Board to make a decision concerning the additional EDUs first before referring anything to litigation. She indicated that after a decision was reached, if Mr. Kornfield wanted to contact her, they could discuss it at that time. S. McCleaf withdrew his motion.

S. McCleaf then made a motion to give S. Trinh authority to speak with Mr. Kornfield about the Golden Corral issue and report back to the WTMA Board with their decision. The motion died to a lack of a second motion.

E. Gladhill suggested giving a 2.5 EDU credit for the repairs for the water leaks and the water that was hauled from the restaurant by the previous owner. After further discussion, on a J. Blair, S. McCleaf motion, Golden Corral was credited 2 EDU's for the hauled and leaked water, and WTMA staff was directed to recalculate late fees from the original date of billing on the new balance. The motion passed (4-1) with L. Frantz against. Golden Corral will still owe 2 EDUs of sewer totaling \$5,252.00 plus penalties and interest. S. Trinh and WTMA staff will begin processing the lien, which will be filed by the end of May if payment is not received. A revised invoice will be mailed to the Golden Corral.

Adjourn for a Five Minute Recess

The Board adjourned for a five minute recess at 8:00 PM on a S. McCleaf, J. Blair motion (5-0).

Reconvene to Meeting

The Board reconvened to regular meeting at 8:05 PM.

Susquehanna Bank

The Manager explained that he had originally intended to have a representative from Susquehanna's wealth management division discuss various investment options available for the funds that were recently moved from PLGIT to Susquehanna Bank. The Manager presented a Short Term Portfolio Summary that had been prepared by D. Hudet, of Valley Forge Asset Management. The Manager reported Mr. Hudet had reviewed the investment options that are legally available to the Authority, but was unable to provide a better rate than the guaranteed rate Susquehanna was offering due to the current rates of return. He will continue to review the rates and contact the Authority when they are more favorable.

The Manager discussed a conversation he had with J. Blubaugh, of Susquehanna Bank who has been reviewing the M&T Trust and exploring some possibilities to move the funds from the M&T Trust to Susquehanna Bank. The Manager reported WTMA is currently paying 4% interest on the monies in the bond, and they are on an escalating schedule. This matter will be further discussed in the future.

Business Report

B. Carrigan, Business Manager presented the March 2010 Business Report. The Business Report was accepted as presented on a S. McCleaf, L. Frantz motion (5-0). The following items were discussed:

- Water Department Revenue Report
- Sewer Department Revenue Report
- Cash Flow Summary
- Tap Fee Detail Report

B. Carrigan reported Susquehanna Bank installed remote deposit equipment in customer service. She explained that when checks are scanned they are automatically deposited remotely in the Authority's account at Susquehanna Bank.

Municipay - Credit Cards

The Manager discussed a proposal to add the services of Municipay in order to accept credit cards at the Administration office for the payment of water and sewer bills. WTMA currently has an option that lets customers use a PayPal link on the WTMA website for credit card payments. Municipay is developing an internet application that would be used to replace PayPal.

The Manager explained that Municipay is designed for municipal applications. In order to avoid having the Authority pay a percentage to the credit card processing company, a 2.45% fee will be added to the customer's credit card payment by Municipay. A sign will be prominently displayed at the customer service area making the customer aware of the fee. The customer must also sign two receipts, one for the water and/or sewer bill and one for the additional fee. The Board gave their consensus to the Manager to adopt Municipay for credit card payments.

Revised Statement of Intent

The Manager presented a revised Statement of Intent. The original Statement was adopted by the Board, and directed that the PLGIT funds used for the construction of the Administration building be repaid to PLGIT over time from the Bond Redemption and Improvement Fund. Since the PLGIT funds have been transferred to Susquehanna, the revision states that the repayment will be made to the funds in Susquehanna. The revised Statement of Intent was adopted as presented on a S. McCleaf, L. Frantz motion (5-0).

Ratification of the Bills

The Ratification of the Bills was accepted as presented on a S. McCleaf, L. Frantz motion (5-0).

Water Department Report

The Manager presented the Water Department Report for March 2010. The Water Department Report was accepted as presented on a J. Blair, S. McCleaf motion (5-0). The following items were discussed:

- Water usage for the month is currently 44% of the system's capacity
- 16,464,000 gallons of water were produced for the month

The Manager commented that the water production for March of 2009 was 14,798,000 gallons. There are no known leaks in the system at this time. After the bills are generated in May, we will be able to determine if the increase in production is reflected in increased sales.

- There was one water leak discovered for the month

The Manager reported a two inch mainline along Buena Vista Rd was damaged due to logging trucks crossing over the waterline. The logging company was notified to provide steel plates for future crossings.

- There were three new connections for the month

Chlorine Monitoring

The Manager received an independent proposal for compliance with the chlorine monitoring requirement from B. Hibshman of Aptus Control Systems. Mr. Hibshman's proposal is an alternative to the proposal received through the RFP process. The Manager has reviewed both proposals, and talked with the vendor for the ATI chlorine monitor and the Mission communication hardware. Due to the bid the Authority received to have a contractor install the necessary equipment at all five sites being over budget, the Manager has been evaluating having the WTMA direct purchase and self install the hardware and monitoring systems one at a time, using a site of the Water Superintendent's choosing as a test case. After further discussion the Board gave consensus to the Manager to purchase and self install a Chlorine Monitoring System under the parameters outlined.

Sewer Department Report

The Manager presented the March 2010 Sewer Department Report. The Sewer Department Report was approved as presented on a S. McCleaf, J. Blair motion (5-0). The following items were discussed:

- Minimum flow at the Treatment Plant for the month was 770,000 gallons per day
- Average flow was 1,472,000 gallons per day
- Maximum flow was 5,290,000 gallons per day
- There were four new connections for the month
- Maximum Hydraulic EDU's for the plant are 8486
- Total Hydraulic EDU's connected to the system to date are 5529.5

Purchase Requests

The Manager presented a purchase request for a stationary all weather composite sampler for influent sampling. The Sewer Department's existing sampler has significant age and wear and needs to be replaced. The recommended sampler is the same unit that Authority purchased a year ago for effluent sampling. On a S. McCleaf, J. Blair motion (5-0) the Board approved the purchase of an all weather composite sampler from Sirco Samplers at a cost of \$5,495.00.

The Manager presented a purchase request for a hand held GPS unit. The Manager reported this unit would be used by the Engineering Department to achieve sub-foot accuracy to locate manholes, water valves, and existing infrastructure hydrants. The information can then be entered in the GIS System and used to calibrate the GIS and the water and sewer models. On a S. McCleaf, J. Blair motion (5-0) the Board approved purchasing a hand held GPS unit from Topcon/Caron East Inc. at a cost of \$4,952.22.

On Demand Energy

The Manager reported that On Demand Energy analyzed WTMA's rates and determined the Authority is paying a weighted average of 6.43 cents per kilowatt of generation cost. The Authority purchases approximately 3 million kilowatt hours annually. On Demand Energy had presented a three year contract at rate of 6.34 cents per kilowatt of generation cost, but due to the nature of the energy market the contract had to be accepted in a 24 to 48 hour time period. The Manager asked for the authority to enter into a contract if another opportunity arose to lock in energy costs for multiple years if the contract price was at or below what we are currently paying. On a S. McCleaf, L. Frantz motion (5-0) the Board gave the Manager that authority.

Subdivisions

Antietam Commons PH II- The Manager discussed an issue with status of the current construction bond for Antietam Commons PH II being held by the WTMA, which expires April 25, 2010. Several letters were mailed to Mr. Rachuba and to AM Trust Bank stating the bond needs to be renewed or will be foreclosed.

The Manager discussed a conversation he had with R. Rachuba, Developer of Antietam Commons. Mr. Rachuba explained that AM Trust bank has been taken over by the FDIC and all bonds are void and cannot be foreclosed. He explained that the bank is also not renewing or issuing new bonds. The Manager recommended the Board revoke final approval for this subdivision unless a new or renewed construction bond is received by WTMA on or before April 25, 2010. On a J. Blair, S. McCleaf motion (5-0) the WTMA took the action recommended by the Manager for Antietam Commons PH II. The subdivision retains Preliminary approval, and the Township will be notified of the WTMA's action.

Food Lion- The Manager presented a GIS Map showing the location of the proposed Food Lion Shopping Center on the west side of Waynesboro. The Manager expressed concern for the borders of the shopping center which seem to be in both the direct and indirect service areas that are part of the Water Purchase Agreement between the WTMA and the Borough of Waynesboro. This matter will be further discussed during Executive Session.

Adjourn to Executive Session

The Board adjourned to Executive Session at 9:12 PM to discuss legal matters on a S. McCleaf, J. Blair motion (5-0).

Reconvene to Regular Meeting

The Board reconvened to regular meeting at 10:30 PM.

Miscellaneous

PMAA Seminar- The Manager discussed the PMAA Spring Management Workshop scheduled for Tuesday April 27, 2010 in Hershey, PA.

Chamber Mixer- The Manager discussed the Chamber Mixer being held on Thursday, April 22, 2010, at Custom Sign Studio. The WTMA recently joined the Chamber of Commerce and the Manager will attend the event.

Girl Scout Troop 80882- E. Gladhill purchased a banner created by Girl Scout Troop 80882. The banner will be displayed in the lobby of the Administration Building.

Adjourn

The Board adjourned at 10:36 PM on a L. Frantz, J. Blair motion (5-0).

These Minutes were prepared by S. Eck, Administrative Assistant and respectfully submitted on this 4th day of May, 2010.

L. Frantz, Secretary/Treasurer

Washington Township Municipal Authority
11102 Buchanan Trail East
Waynesboro, PA 17268
Adopted 2/3/2009 by WTMA Board of Directors

Statement of Intent

It is the intent of the Washington Township Municipal Authority to construct a new Administration Building for the Water and Sewer Companies that will house the Administrative and Engineering functions, a public Meeting Room, and room for storage. The building will be constructed with funds from the Sewer Company on land owned by the Water Company.

The Sewer Company will use \$800,000.00 from the Construction fund of the Trust Indenture Securing Sewer Revenue Bonds. Said funds were moved from the Bond Redemption and Improvement Fund in accordance with Section 6.05, allowing for the transfer of those funds "For or toward Costs, Costs of Acquisitions or Cost of Construction of Capital Additions".

The balance of the funds will be paid from various Sewer Company accounts held by PLGIT. The WTMA intends to replace these funds from the Bond Redemption and Improvement Fund in accordance with Section 6.05, as Costs, and Costs of Constructions are defined in Section 1.02 (L) as "Any sums required to reimburse the Authority or to pay any indebtedness incurred by the Authority, with interest thereon, for expenditures made for any of the above items or for any other costs properly chargeable as costs of construction or acquisition."

The Authority initially intends to repay these funds at the rate of \$50,000 per year, beginning in fiscal year 2009-2010, but retains the right to adjust this amount in accordance with its needs or abilities, at its sole discretion. The total amount to repay is approximately \$800,000.00.

Update April 20, 2010

All PLGIT funds have been transferred to accounts at Susquehanna Bank. The repayment schedule shall remain the same, but the \$50,000/year payment will be paid to the WTMA-General Fund account as Susquehanna Bank.