

Washington Township Municipal Authority  
Business Meeting Agenda  
October 19, 2010

1. Business from the Floor
2. Agenda
3. Minutes of October 5, 2010
4. Old Forge Road Bids
5. Bond Option Presentations
  - RBC Capital Markets
  - Public Financial Management
  - Susquehanna Bank
6. Adjourn to Executive Session to Discuss Legal Matters and Personnel Issues
7. Reconvene to Regular Meeting
8. Water Department Report
9. Wastewater Department Report
10. Business Report
11. Annual Tap Fee Review
12. Ratification of the Bills
13. Purchase Request
14. Subdivisions
15. Miscellaneous
16. Adjourn

Washington Township Municipal Authority  
Business Meeting Minutes  
October 19, 2010

Chairman F. Eisenhart opened the meeting at 7:15 PM. Others present were S. McCleaf, E. Gladhill, J. Blair, D. McCarney, S. McFarland, B. Carrigan. S. Trinh arrived a few minutes later.

**Business from the Floor**

Ben Henneberger, a member of the Boy Scouts, and his father, Doug Henneberger were in attendance at the meeting as observers. Ben Henneberger is working on earning the Eagle Scout Community Merit Badge.

**Agenda**

The agenda was approved as presented on a S. McCleaf, J. Blair motion (5-0).

**Minutes of October 5, 2010**

The minutes of October 5, 2010 were approved as presented on a S. McCleaf, D. McCarney motion (3-0). Chairman F. Eisenhart and E. Gladhill abstained due to their absences at the October 5, 2010 Board meeting.

**Old Forge Road Bids**

Two sealed bids had previously been opened at the October 5, 2010 Board Meeting and tabled pending further review by the Manager. LB Water's bid was for the supply and delivery of PVC pipe, fittings, and accessories for a total cost of \$3,664.10. The Manager reported that LB Water's bid was actually priced by the 'unit', and the final price may differ after actual measurements are taken in the field for sizing of the pipe footage needed, especially to connect each house, depending on where the connections need to be made and whether any obstacles need to be circumvented. CR Semlar's bid was for the supply and delivery of two manholes, frames, and covers, for a total cost of \$2,700.00.

After a review of the two bids, the Manager recommended awarding the bids to CR Semlar and LB Water for the materials needed to construct the second phase of the sewer line along Old Forge Road to Calimer Drive. The Board accepted the Manager's recommendation on a S. McCleaf, E. Gladhill motion (5-0).

**Bond Option Presentations**

Representatives from RBC Capital Markets (Stephen Flaherty and Brian Bradley), Public Financial Management (John Frey), and Susquehanna Bancshares (Joe Zmitrovich and John Blubaugh) were present to discuss alternatives for refinancing the Authority's current bond debt as well as its need to secure funding. The Manager explained to the Board that he had been in touch with the three organizations and had met with all of them over the last few weeks. He had

asked them all to prepare presentations about what their companies had to offer the Authority in order to take advantage of interest rate moves in the market that are more favorable than what the WTMA is paying on the 2001 Bond Series, as well as line up funding streams for the Sewer Line Replacement project that is scheduled to begin next year. He also explained that there had been some cursory interest from the Manager of the Township as to whether there was any advantage to the Township and the Authority of combining some of their financing needs to take advantage of economies of scale, specifically related to fees associated with the transactions, such as legal and ratings fees.

S. Flaherty and B. Bradley made their presentation first. They discussed who they were within RBC Capital Markets and gave some background about RBC and its experience in the Municipal Bond Markets. They explained the process by which RBC would work with the Authority to determine the financial needs, obtain necessary ratings or insurance, prepare the Official Statements, and eventually facilitate the sale of the bonds to the market through an Underwriter Managed sale. They briefly discussed the alternatives available to the Authority, including straightforward bond issue and sale, traditional bank loans, and a Financial Advisor managed bond sale. They explained their view of why an Underwriter Managed sale was the best alternative.

They also discussed several scenarios and showed possible costs and net savings to the Authority from its current bond costs depending on whether there was collaboration with the Township or if the Authority chose to pursue a bond issue on its own. There were several questions by the Board for clarification of points raised during and after the initial presentation. There were questions regarding the rates that the bond market is seeing for bond issues of the size and period that the Authority is considering. The Board then thanked S. Flaherty and B. Bradley for their presentation and then left.

J. Frey had excused himself during RBC's presentations and came in following their completion. He proceeded to explain PFC's role as an independent Financial Advisor, specializing in Local Governments, and enumerated several of their clients within Franklin County. He discussed the services PFM could offer the Authority when considering its financing alternatives, and discussed some pros and cons of bank loans and bond issues to raise the necessary funds. He also discussed PFC's role in a competitive internet auction of a bond issue, and the benefits PFC sees to selling bonds in that way. He discussed the fees that would be charged by PFC and other entities in a bond issue. He also answered questions about the rates the Authority could reasonably expect to get for the bond issue under consideration. The Board thanked him for his time and presentation and he left.

J. Zmitrovich and J. Blubaugh finished up by presenting a proposal for banking services from Susquehanna. They gave some brief explanation of Susquehanna and its local relationships in Franklin County and the Washington Township and Waynesboro Areas. J. Zmitrovich explained that the bank had already pre-approved a loan to the Authority sufficient to meet the financial needs specified by the Manager. He explained that there were several options available to the Authority depending on the term of a loan and the interest rates associated with each option. He discussed the services the bank currently provides to the Authority on its deposits with them, and discussed the services that would be provided by Valley Forge Asset Management, as

Susquehanna investment arm, in assisting the Authority with its investments. There were several questions from the Board about the proposal, as well as requirements the Bank would have for the Authority. There was also discussion about various fees and comparing those to the other alternatives presented by RBC and PFM. The Board thanked J. Zmitrovich and J. Blubaugh for their time and presentation, and they excused themselves.

There was continued discussion between the Board, the Manager, Business Manager, and Solicitor about the various pros and cons of all of the options presented to the Board during the meeting. The Chairman asked the Board to give the matter consideration before the next meeting and to consider whether the Board was ready to make a decision on one of the options.

### **Adjourn to Executive Session**

The Board adjourned to Executive Session at 10:15 PM to discuss Legal and Personnel Issues with their Solicitor on a S. McCleaf, J. Blair motion (5-0).

### **Reconvene to Regular Meeting**

The Board reconvened to regular meeting at 10:40 PM.

The Board authorized Chairman F. Eisenhart to sign a contract extension to extend the Agreement between the Washington Township Municipal Authority and the International Brotherhood of Teamsters, Local 992 while negotiations are ongoing, on a S. McCleaf, J. Blair motion (5-0).

### **Annual Tap Fee Review**

The Board briefly discussed the upcoming annual tapping fee review with the Solicitor. Chairman Eisenhart questioned the benefits of establishing some type of standardized policy about what types of situations would be granted waivers from additional tapping fees. S. Trinh discussed the benefits and disadvantages of having a written policy. The Chairman asked the Board to give the matter some thought prior to discussing each waiver request that may come before the Board.

The Manager presented a spreadsheet to the Board for review. The spreadsheet detailed those customers whose usage during the July 1, 2009 – June 30, 2010 time period exceeds the EDUs they originally paid for, or were credited for, in accordance with the Resolutions.

The Manager recommended the Board grant waivers for the Blue Ridge Fire Department and M. Shockey Auto Sales. The two businesses in question had documented leaks during last year's evaluation process which had been discovered during the review, had communicated with the Authority during the process, and had made the necessary repairs. The Board approved the granting of waivers to the Blue Ridge Fire Department and M. Shockey Auto Sales for the high quarters that resulted in the assessment of additional tap fees.

The Manager reported that letters had been mailed to all commercial customers informing them that the Tapping Fee/ EDU assessment has been completed. Commercial customers whose usage has exceeded their permitted amount will be billed for additional Tap Fees on November 1, 2010 and due within 30 days. He advised the Board that he had received one waiver request and had talked with another customer already. The Board agreed that they would set aside time in future meetings to consider the requests.

### **Water Department Report**

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

- The water system was operating at 47% of its capacity during the month
- Water produced for the month was 16,751,000 gallons
- There were no new connections for the month
- Aqua-Tech performed a five day system wide leak survey and found twelve leaks in the water system, ten of the twelve leaks have been repaired to date
- Water Operators continue in house leak detection two days a week

The Manager reported that WTMA personnel had performed leak detection on approximately 85-90% of the system, and had completed the visual inspection of all radio read meters as part of the ongoing efforts to reduce unaccounted for water. The Board asked the Manager to thank R. Eberly, Water Superintendent, and the Water Department staff for all of their hard work and dedication to the Reduction Program.

### **Wastewater Department Report**

The Manager presented the September 2010 Wastewater Report. The September 2010 Wastewater Report was accepted as presented on a S. McCleaf, E. Gladhill motion (5-0). The following items were discussed:

- Minimum flow at the Treatment Plant for the month was 410,000 gallons per day
- Average flow for the month was 505,000 gallons per day
- Maximum flow for the month was 1,790,000 gallons per day
- There were no new connections for the month
- Total Hydraulic EDU's connected to the system to date are 5561.5

- For planning purposes, the Wastewater Treatment Plant is currently at 65.5% of its capacity

The Board asked if anybody had taken advantage of the ability to pay for tapping fees in advance of the increase that was previously approved, increasing the Sewer Tap Fee to \$5,252.00 as of November 1, 2010. The Manager reported that two developers and one customer have paid for their sewer tapping fees in advance. They have identified which lots they were paying for within a previously approved subdivision, and have submitted an Application to Connect to the WTMA sewer system.

### **Business Report**

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

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

### **Ratification of the Bills**

The Board ratified the bills that were presented on an E. Gladhill, S. McCleaf motion (5-0).

### **Purchase Request**

The Manager presented a Purchase Request for adjustable manhole riser rings. Many manholes have been discovered by WTMA staff during the process of gathering GPS data that are buried in roads and on private properties. The rings start the process of adjusting the manholes to grade. After a review of the purchase request, the Board approved purchasing adjustable manhole riser rings from Environmental Products, at a cost of \$9,855.75 on a S. McCleaf, E. Gladhill motion (5-0).

### **Subdivisions**

**Martin-** The Manager reported all the requirements have been met for final approval for the Martin subdivision on Old Route 16, and recommended final approval from the Board. On a S. McCleaf, J. Blair motion (5-0), the Martin subdivision was granted final approval by the WTMA Board of Directors.

## **Miscellaneous**

**Blue Ridge Pumping Station-** J. Blair asked if there were any trees around pumping stations that could cause problems if they fell. The Manager reported a tree had fallen around a very small pumping station in the Skiway area, damaging Allegheny Power's lines, and some minor damage to our facilities.

**Mountain Shadows Restaurant-** J. Blair asked if there had been another problem with grease in the sewer lines at Mountain Shadows. The Manager explained the line in question was not directly attributable to Mountain Shadows, it was just in the vicinity, and that it was part of routine maintenance the Authority does on its lines.

**Rouzerville Business Association-** S. McCleaf discussed WTMA joining the Rouzerville Business Association. Mr. McCleaf stated the dues are \$100 per year and he volunteered to represent WTMA. He felt it would bring similar benefits as membership in the Waynesboro Chamber of Commerce. On a S. McCleaf, E. Gladhill motion (5-0) the Board approved joining the Rouzerville Business Association.

**Washington Township Halloween Party October 23, 2010-** E. Gladhill gave the Manager a contact person and phone number in case any WTMA staff would be interested in donating cookies for the Washington Township Halloween Party scheduled for October 23, 2010.

**Tour of WTMA Water System-** D. McCarney commented that the WTMA Water System tour he took with the Manager and Water Superintendent was very educational.

## **Adjourn**

The Board adjourned at 11:15 PM on a J. Blair, E. Gladhill motion (5-0).

These Minutes were prepared by S. Eck, Administrative Assistant respectively submitted on this 2nd day of November, 2010.

---

E. Gladhill, Secretary/Treasurer