

**Washington Township Municipal Authority
Business Meeting Agenda
March 1, 2016**

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2. Agenda
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5. Engineer's Report
6. Blue Ridge Summit Pump Station Replacement – Bid Award
7. WTMA Project Update Report
8. Capital Disbursement Authorization
9. Leak Credit Review – November 2015 Billing
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11. Adjourn to Executive Session
12. Reconvene to Regular Session
13. Miscellaneous
14. Adjourn

Washington Township Municipal Authority
Business Meeting Minutes
March 1, 2016

Chairman F. Eisenhart opened the meeting at 7:15 PM. Others present were S. McCleaf, D. McCarney, A. Geesaman, S. Trinh, and S. McFarland. Also present were K. Stouffer and C. Witmer of Smith Elliott Kearns & Company, as well as J. Garvin, Business Manager. G. Price was absent.

Business from the Floor

There was no business from the floor.

Agenda

The Agenda was approved, as amended, on an S. McCleaf, A. Geesaman motion (4-0).

Minutes of February 16, 2016

The Minutes of February 16, 2016 were approved as presented, on S. McCleaf, A. Geesaman motion (3-0). F. Eisenhart abstained due to his absence at the prior meeting.

Smith Elliott Kearns & Company – Financial Audit Presentation

K. Stouffer and C. Witmer were present to review the 2014-2015 Financial Audit with the Board. K. Stouffer started by beginning with a power point presentation covering the Audited Financial Statements, the Management Letter and the required Communication with Those Charged with Governance, which he also provided to the Board.

The first item he drew attention to was the fact that SEK was issuing an unmodified audit opinion, pointing out that it was the best opinion they can give. The biggest change he pointed out while going through the audit was the change in some of the numbers rising out of changing the useful lives or amortization schedule of assets, resulting in much higher depreciation expense for the year and a significant change in net position. The Manager pointed out that some of the useful lives on the original sewer lines had been set at 90 years, but everything had been re-classed according to the schedule adopted by the Board with the longest life now being 40 years. Chairman Eisenhart asked if the change would have any effect on the Authority's borrowing ability, and K. Stouffer replied that it shouldn't because lenders would look at the unrestricted net position which would not include depreciation and it has actually increased over the last several years.

K. Stouffer then reviewed the assets and liabilities for both the Wastewater and Water funds as they compared to the previous year's numbers. He looked at the increases and decreases in revenues and expenses and touched on some of the items driving those numbers.

He reported that SEK had no findings as a result of the audit and only had one recommendation, which was that the Manager review journal entries made by the Business Manager before they are posted to the general ledger. The Manager told the Board that he would begin doing that. K. Stouffer then reviewed some graphs that provided a more visual representation of the changes in the numbers over the last 5 years. He also briefly discussed the fact that the audit will look different next year due to the change from accrual to modified cash basis accounting.

The Board commented positively on the audit and complimented J. Garvin's efforts in the audit preparation, specifically the resulting decrease in the number of adjusting entries.

The Board accepted the 2014-2015 Audit Report on an S, McCleaf, D. McCarney motion (4-0).

Engineer's Report

The Manager presented the February Engineer's Report. The Engineer's Report was accepted as presented on an S. McCleaf, A. Geesaman motion (4-0). The following items were discussed:

Water

- No activity

Sewer

- Blue Ridge Summit Pumping Station Replacement
- Wastewater Conveyance System Upgrades
- Miscellaneous Professional Services

Blue Ridge Summit Pump Station – Bid Award

The Manager presented a letter from GHD recommending that the WTMA award the bid to replace the pump station to the lowest bidder, HRI, Inc. Utilities Group, based on their bid of \$424,100.00. Chairman Eisenhart asked S. Trinh if she was aware of any litigation involving HRI in the past for projects. After a quick search she replied that she found two, one having to do with getting paid for a project and the other was a personal injury claim, neither of which seem unusual and neither was a recent case.

The Board agreed to award the bid to HRI, Inc. on an S. McCleaf, A. Geesaman motion (4-0). The Manager briefly discussed the timetable for the project with the Board

WTMA Project Update Report

The Manager reviewed the activities on various WTMA projects for the Month of February. They include:

Old Forge Road – No activity

BRS Pumping Station Upgrades – Bids were received and opened at the February 16, 2016 meeting.

Wastewater Conveyance System Upgrades – No activity.

Miscellaneous Sewer Projects – No activity.

Development of Sewer Use / Industrial Pretreatment Ordinance – No activity.

Inflow and Infiltration Reduction - A total of 145 manholes were visually inspected during the month. The Manager provided the Board with a report on the findings from A. Zeigler, Project Supervisor. The Manager also discussed purchasing a new camera to replace the existing push camera which is no longer functional, explaining that he had asked the Wastewater Superintendent to begin gathering information and prices on new units.

The Chairman explained to the Board that he had asked the Manager to begin putting together a comprehensive plan to address I&I in Blue Ridge Summit. The Manager replied that he had spoken with the staff about it and they are beginning to work on it.

Capital Disbursement Authorization

The Manager presented Capital Disbursement Authorization WW-157 in the amount of \$9,893.53 to GHD for work done on the Blue Ridge Summit Pump Station Replacement project. Capital Disbursement Authorization WW-157 was approved on an S. McCleaf, A. Geesaman motion (4-0).

Leak Credit Review

The Manager presented a summary of the leak credits that he had issued in accordance with the Leak Credit Policy for the bills that were originally sent out in November 2015.

Registered Plumbers List

The Manager presented a memo from A. Zeigler citing that Isaiah Picard, of David H. Martin, had completed all of the requirements to be added to the Registered Plumbers List. The Board agreed and authorized his addition on an S. McCleaf, A. Geesaman motion (4-0).

Adjourn to Executive Session

The Board adjourned to Executive Session to discuss Legal Matters at 8:02 PM on an A. Geesaman, D. McCarney motion (4-0).

Reconvene to Regular Session

The Board reconvened to regular session at 9:20 PM.

Miscellaneous

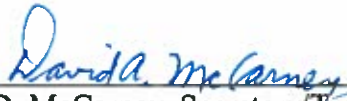
The Manager presented the Minutes from the January 19, 2016 Waynesboro Borough Authority meeting. He also indicated that he had provided the Board with the latest Authority magazine.

Chairman Eisenhart thanked S. McCleaf and the rest of the Board for carrying on during his absences last month.

Adjourn

The Board adjourned at 9:21 PM on an S. McCleaf, A. Geesaman motion (4-0).

Sean McFarland, Manager, respectfully prepared these Minutes, and submitted on this 16th day of February, 2016.



D. McCarney, Secretary/Treasurer