

**Washington Township Municipal Authority
Business Meeting Agenda
June 21, 2016**

1. Business from the Floor
2. Agenda
3. Minutes of June 7, 2016
4. May 2016 Water Report
5. Purchase Request Authorization – Water Meters / MXU's
6. May 2016 Wastewater Report
7. May 2016 Business Report
8. Ratification of the Bills
9. Adjourn to Executive Session – Legal Matters / Personnel Matters
10. Reconvene to Regular Session
11. Miscellaneous
12. Adjourn

Washington Township Municipal Authority
Business Meeting Minutes
June 21, 2016

Chairman F. Eisenhart opened the meeting at 7:15 PM. Others present were A. Geesaman, S. McCleaf, D. McCarney, G. Price, S. McFarland and S. Trinh.

Business from the Floor

There was no Business from the Floor.

Agenda

The Agenda was approved as presented, on an A. Geesaman, S. McCleaf motion (5-0).

Minutes of June 7, 2016

The Minutes of June 7, 2016 were approved as presented on an A. Geesaman, S. McCleaf motion (5-0).

May 2016 Water Report

The Manager presented the May 2016 Water Report. He reviewed the water report with the Board and reported the following:

- The water system was operating at 42% of its capacity during the month
- Water produced for the month was 17,958,000 gallons
- There was one new connection for the month of April
- There was one leak discovered and repaired during the month. It was located on Charmian Road, and was reported to the WTMA by a customer.

The Manager discussed some of the additional maintenance and repair work, including the purchase of a new lawn mower for the department and the blowing off of the line on Buena Vista Road following the filling of the pool at Bellarmine. The Water Report for May, 2016 was accepted as presented on a S. McCleaf, A. Geesaman motion (5-0).

Purchase Request Authorization – Water Meters/MXUs

The Manager presented a Purchase Request for the purchase of a total of 232 Sensus water meters and 200 meter transceiver units (MXUs) for a total cost of \$60,391.60. He explained that although the Authority had only planned on spending \$60,000.00 during this fiscal year on this

line item, there was additional money in the total line item for the purchase of meters and MXUs. He also explained that this purchase included the 200 meters we normally purchase in the standard ¾ inch size, but also included some in a smaller 5/8 inch size because there are several applications in the system that will not accommodate the larger meters. The purchase request was approved on an S. McCleaf, G. Price motion (5-0).

May 2016 Wastewater Report

The Manager presented the May 2016 Wastewater Report. The following items were discussed:

- Minimum flow for the month was 730,000 gallons per day
- Average flow for the month was 969,000 gallons per day
- Maximum flow for the month was 1,340,000 gallons per day
- There was one new connection, bringing the total for the year to 12.
- Total Hydraulic EDU's connected to the system to date are 5830.5
- For planning purposes, the Wastewater Treatment Plant remains at 72% of its capacity, but the Manager explained that based on actual average flows, the plant is actually closer to 50% of its capacity

The Manager reviewed some of the maintenance and repair work done during the month, including the lifting and cleaning of the air diffusers in the SBRs, which is now a regularly performed project since the replacement of those last year. He discussed some of the ongoing smoke testing, as well as a repair performed behind the mini mart in Blue Ridge Summit due to the property owner's failure to fix it after they were notified to do so.

The Wastewater Report for the Month of May was accepted as presented on an S. McCleaf, G. Price motion (5-0).

May 2016 Business Report

The Manager presented the May 2016 Business Report. The following items were reviewed:

- Statement of Revenues and Expenses
- Bank Balances / Capital Expenditures
- Capital Disbursement Summaries
- Tap Fee Detail Report
- Business Updates

The Chairman asked if the Manager had received an answer regarding a skipped loan payment. The Manager explained to the Board that the Authority used to cut actual checks to make payments on the principal and interest for the Loan, but it is now being automatically drafted from the bank account. Since the WTMA now uses cash accounting, and because of the timing of previously cutting checks and now drafting the payment, it will appear that only eleven payments were made during the current fiscal year. The Manager explained that he will ask the auditors about the best way to handle it to ensure there is comparative information from year to year moving forward.

The May 2016 Business Report was accepted on an S. McCleaf, A. Geesaman motion (5-0).

The Manager then called the Board's attention to a letter he had distributed from BB&T Bank. He explained that he had been in discussions with the bank to possibly refinance the existing loan at a lower interest rate and had also been in touch with F&M Trust. He explained that the Authority is currently paying 3.87% on an approximate outstanding balance of 7.3 million. He received a verbal 'ballpark' number from F&M that was 2.5%, with the implication that the final rate would be lower than that. BB&T has proposed a revised interest rate of 2.36%. He also explained that the terms of the loan with BB&T currently includes a 1% prepayment penalty, which would have to be paid to BB&T if the loan was refinanced with another institution.

The Manager explained that because the Authority never borrowed the full amount of the line of credit and had been paying it off from the beginning as if the full amount had been borrowed, it had already eliminated a balloon payment that would have been due at the end of the term, and had already shortened the term of the loan by 6 months.

The Manager reviewed several scenarios under a new interest rate, including keeping the current payments, as well as reducing the monthly payments and the potential savings over the life of the loan. The Board discussed several other alternatives, as well as benefits and disadvantages of potentially changing banks, and posed several questions to the Manager which he will follow up on. The Chairman told the Board that he had discussed possibly using some of the Authority's cash on hand and reducing the amount of the debt prior to refinancing the balance. The Manager explained he is only informing the Board of the discussions, is not really interested in, or recommending, talking with several different banks or issuing a Request for Proposals at this time. He is looking for a consensus from the Board to continue talks with BB&T. The Board concurred and authorized the Manager to proceed.

Ratification of the Bills

The Board reviewed and approved the Ratification of the Bills for the month of May as presented on an A. Geesaman, D. McCarney motion (5-0).

Adjourn to Executive Session

The Board adjourned to Executive Session to discuss Legal and Personnel matters at 7:46 PM on an S. McCleaf, A. Geesaman motion (5-0).

Reconvene to Regular Session

The Board reconvened to regular session at 8:37 PM.

The Board agreed to offer the position of Water Superintendent to Joseph Schorn at an annual salary of \$48,000 per year on an S. McCleaf, D. McCarney motion (5-0).

Miscellaneous

The Manager discussed two projects with the Board that are upcoming. The first is the repair of the disturbed area at the intersection of Route 16, Old Route 16 and Charmian Road. The Manager explained that he had been in touch with New Enterprise to discuss having them do the work instead of the Township. He explained that the cold patch will have to be removed, the pavement cut back and the patch made with 8-10 inches of based blacktop prior to PennDOT overlaying Route 16. He explained to the Board the New Enterprise will have to raise the manhole at that same intersection, make the repair and will already have equipment, material and traffic control on site. He was given a price of \$112 per square yard, which is in line with the line item bid price for PennDOT's contract, and would minimize disruption at a dangerous intersection by having one contractor do all the work at the same time. The Solicitor questioned whether there was an emergency basis for the work, and the manger answered yes, because the work needs to be done in advance of the planned repaving. The Board agreed and voted to engage New Enterprise to perform the specified work at a price of \$112 per SY.

The second project is the restoration of a stream bank along Baumgardner Lane. The Manager showed the Board some photos and explained that the stream is beginning to undercut the lane. Although the lane is private and not maintained by the Township, the Manager explained that the WTMA has a sewer main running under that lane and it is in danger of being exposed and undercut or damaged. He has obtained an emergency permit from DEP to perform the work and the permit requires the use of R-7 stone, which is very large. He has obtained a price for the material and estimates the total for stone will be approximately \$6,000. He would then have the Township perform the work of placing the stone in the bank. The Board agreed and authorized the Manager to proceed with the streambank restoration on an S. McCleaf, A. Geesaman motion (5-0).

Adjourn

The Board adjourned at 8:50 PM on an S. McCleaf, G. Price motion (5-0).

Sean McFarland, Manager, respectfully prepared these Minutes, and submitted on this 5th day of July, 2016.


D. McCarney, Secretary/Treasurer