

**Washington Township Municipal Authority**  
**Business Meeting Agenda**  
**July 19, 2016**

1. Business from the Floor
2. Agenda
3. Minutes of July 5, 2016
4. GHD Proposals for Professional Services / Amendments
5. June 2016 Water Report
6. June 2016 Wastewater Report
7. June 2016 Business Report
8. Ratification of the Bills
9. LesSantis Properties Tap Fee Deferral
10. BB&T Refinancing Proposal
11. Registered Plumbers Addition
12. Subdivision Update
13. Adjourn to Executive Session – Legal Matters
14. Reconvene to Regular Session
15. Miscellaneous
16. Adjourn

**Washington Township Municipal Authority  
Business Meeting Minutes  
July 19, 2016**

Chairman F. Eisenhart opened the meeting at 7:15 PM. Others present were A. Geesaman, S. McCleaf, D. McCarney, G. Price, and S. McFarland. K. Shannon and P. Boggs, of GHD, were also present.

**Business from the Floor**

There was no Business from the Floor.

**Agenda**

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

**Minutes of July 5, 2016**

The Minutes of July 5, 2016 were approved as presented on an S. McCleaf, G. Price motion (4-0). A. Geesaman abstained due to his absence at the meeting.

**GHD Proposals for Professional Services / Amendments**

K. Shannon, GHD, was present to discuss several proposals for Professional Services and amendments to proposals for projects that are currently underway.

He began by providing an update to his Engineer's Report that had been presented at the last meeting and discussed the revised schedule for the Blue Ridge Summit Pump Station project. He explained that the submittal for the Gorman-Rupp package pump station had been received and turned around by GHD, enabling HRI to revise their schedule. HRI plans to begin in mid-August, and they feel confident the work at the site can be completed prior to DEP's compliance date in January, but have expressed concern about whether they will be able to complete the paving prior to blacktop plants closing. The Manager explained that paving had been discussed during the preconstruction meeting, and final paving may have to be delayed to the spring of 2017.

The first proposal for discussion was an amendment to GHD's March 13, 2015 Proposal for Engineering Services related to the preparation, submission and review of any comments by DEP of the Authority's NPDES permit for the Wastewater Treatment Plant. K. Shannon reminded the Board that the original proposal had been to do the specified work for \$9,400 and that billings by GHD would not exceed that without prior authorization by the WTMA. He explained that the current level of effort has exceeded the original budget and there was still some work that was within the original scope remaining, specifically, the review and response to the permit once it is issued by DEP.

He explained that the bulk of the over-runs were related to the need to update the Authority's Preparedness Prevention and Contingency Plan (PPC) in order to comply with the latest regulations governing NPDES permits. He pointed to three other minor contributing factors that have brought their level of effort to date to \$10,595.57. He requested that the Board authorize a budget increase of \$2,600 for a total of \$12,000, not to exceed that amount without prior authorization from the Board, and explained that would include any remaining work that was originally budgeted in the first proposal to review and provide comments to DEP when the NPDES is issued.

The Board discussed the reasons for the increases and clarified what tasks the additional funds would be for as opposed to what was included in the original proposal, questioning the amendment language. After further discussion and explanation from K. Shannon, the board approved the Amendment to the March 13, 2015 proposal for the NPDES Permit Renewal and approved an additional \$2,600 to cover changes in the original scope of work on a D. McCarney, A. Geesaman motion (3-2) with F. Eisenhart and S. McCleaf voting against it.

The second item for discussion was a Proposal for Professional Services to prepare an emergency permit to restore a streambank on Baumgardner Lane and prepare a GP-3 for a streambank restoration on a portion of the stream behind Brookdale Drive. K. Shannon explained that the emergency permit was already completed and submitted, and the work has been done. He explained that he had proceeded with that portion on the verbal authorization from the Manager for an estimated cost of \$2,500, and GHD completed that task for a total of \$2,100. GHD has not begun work on the permit for Brookdale, but K. Shannon explained that he and P. Boggs had visited the site earlier in the day and taken some pictures and GHD had received drawings from Lee Royer's office. He is estimating the level of effort for that permit would be \$6,000 and would include a wetland delineation.

The Manager explained that the sewer line on the property runs perpendicular to the stream, but the homeowner has indicated that the entire length of the stream is eroding his yard and wants the entire streambank stabilized. The Manager suggested that if the Authority proceeded with the permitting, the WTMA would only pay for and perform work no more than 15 feet to either side of the sewer line. He suggested that if the homeowner wanted to do more, he could pay to have the work performed by a contractor under the Authority's permit. He also discussed what kind of restoration DEP would allow, and expressed a concern that the homeowner may not be happy with that because it would involve cutting into his yard even more than the stream has, and would include very large rock on the streambank.

The Manager stated that he would like to discuss these issues with the homeowner prior to authorizing GHD to begin the permitting process. He explained that he doesn't believe the sewer line is in jeopardy, and is doubtful that the crossing of the stream by the sewer line is the culprit. He explained that if the homeowner was not interested in doing what DEP will likely allow, the WTMA should not do anything. After discussion, the Board tabled any action until the Manager could talk with the homeowner.

The next Proposal was to prepare the Water Quality Management Permit for the replacement of the screen at the Wastewater Treatment Plant. K. Shannon explained that his original verbal estimate to the Manger was that GHD could do the work for \$3,000-\$4,000, but the level of effort to date has been approximately \$6,300. He discussed the reasons for the additional costs,

including the difficulty with getting plans and drawings from the manufacturer stamped by a Pennsylvania engineer which GHD ended up having to prepare, and some discrepancies in the drawings and the hydraulic calculations required by DEP that were provided by the manufacturer. He stated that the permit has been prepared and submitted, but estimates there could be another \$700 worth of work to review the permit and certify the installation when it was complete. D. McCarney inquired about the requirement of the manufacturer to provide certified drawings and the Manager explained that although the equipment was bid out, that requirement was not included in the bid contract because when the bid was put together the Authority was not aware they would need a permit to replace an existing piece of equipment. K. Shannon explained that the manufacturer did not have the staff to provide a Pennsylvania Professional Engineer stamped drawing and would have to hire someone to prepare it.

K. Shannon explained that GHD is requesting a \$6,000 lump sum approval, not to exceed that amount without prior WTMA approval, to cover the work completed to date as well as any remaining work to review the permit and certify the installation. The proposal was approved on an S. McCleaf, D. McCarney motion (5-0).

The final proposal amendment was for an expansion of the scope for Industrial Pretreatment Program Assistance. The Manager explained that since the original proposal was presented and contemplated, he has realized that the WTMA will need more help as growth continues in the Industrial Park in order to review proposed facilities, issue permits for industrial waste, and inspect and monitor those facilities. GHD would also help with the development of WTMA regulations regarding pretreatment and an ordinance to be adopted by the Township. K. Shannon and the Manager reviewed a spreadsheet included with the amendment proposal that outlined the original scope of work costing \$9,700 along with the additional requested budget of \$15,900 and to which areas they were allocated.

The Manager explained the revised scope would include more of GHD's time and involvement that was originally planned. He also explained that he had asked GHD to investigate alternatives to serve the Zullinger area. S. McCleaf asked about the status of the Transportation Agreement and the amount of capacity remaining in it. The Manager stated that the capacity had been increased in the past and there was ample capacity. He explained that he was less concerned about the amount of flow from Zullinger than he was about the quality of the wastewater. He feels it is necessary to get a better handle on the unique and varied characteristics of industrial discharges as opposed to residential and commercial, especially in light of the growth within the Industrial Park. F. Eisenhart questioned whether the increased costs included Hadley Farms and the lab moving into the former Pacemaker Press. K. Shannon explained the four new industrial facilities referenced in the proposal included those two, as there would still be available budget for two future facilities if any would look to come into the park.

After discussion, the Proposed Amendment to the July 29, 2015 Proposal for Industrial Pretreatment Assistance was approved for a cost not to exceed \$25,600 without prior authorization from the Board on an S. McCleaf, A. Geesaman motion (5-0).

K. Shannon then took some time to introduce P. Boggs to the Board and briefly discuss the role he will be playing at GHD and with the WTMA. P. Boggs gave a summary of his work experience with previous engineering firms and DEP. The Board welcomed P. Boggs.

## **June 2016 Water Report**

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

- The water system was operating at 49% of its capacity during the month
- Water produced for the month was 18,376,000 gallons
- There were four new connections for the month of June
- Six leaks were discovered during leak detection by Aqua-Tech and will be scheduled for repair. Another round of leak detection will be scheduled for the fall.

The Manager discussed some of the additional maintenance and repair work, including the repair of the auto-flusher installed off of Charmian Road. He also informed the Board that he and the Water Superintendent will be meeting with a representative of Washington County to visit the interconnections between the two systems and discuss some work they would like to perform on them. The Water Report for June, 2016 was accepted as presented on a S. McCleaf, D. McCarney motion (5-0).

The Manager also discussed an upcoming meeting on Monday, July 25<sup>th</sup>, with representatives of DEP to discuss the failure to sample for inorganic compounds in 2015, and the enforcement action that DEP is going to take. He will let the Board know what transpired at its next meeting.

## **June 2016 Wastewater Report**

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

- Minimum flow for the month was 630,000 gallons per day
- Average flow for the month was 710,000 gallons per day
- Maximum flow for the month was 850,000 gallons per day
- There were two new connections, bringing the total for the year to 15.
- Total Hydraulic EDU's connected to the system to date are 5832.5
- 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 receipt of sludge from Quincy. S, McCleaf inquired about the status of the permitting of the fields farmed by J. Martin close to the Wastewater Treatment Plant, and the Manager replied that no action has been taken because Mr. Martin does not own the fields.

The Wastewater Report for the Month of June was accepted as presented on an S. McCleaf, A. Geesaman motion (5-0).

### **June 2016 Business Report**

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

### **Ratification of the Bills**

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

### **LesSantis Property Tap Fee Deferral**

The Manager provided an update to the lack of payment of water and sewer tapping fees by LesSantis Property under the deferral process. The Manager explained that he had received an email earlier that morning explaining that they are awaiting appraisals of their properties and that BB&T has told them that funds should be available in 30 days. The Board inquired whether interest would continue to accrue, which the Manager confirmed would happen. He explained that if the Authority filed suit, it would incur some legal fees. The Manager recommended that the Board grant a 30 day extension to allow S. Lesniak to make payment for the fees. The Board agreed, but asked that the Manager require LesSantis Property to provide to provide updates on the status of the payment every two weeks.

### **BB&T Refinancing Proposal**

The Manager presented an addendum to the proposal presented at a previous meeting to refinance the Authority's debt with BB&T at a lower interest rate. The Manager explained that the addendum lowered the interest rate for the two scenarios requested by the WTMA, and extended the closing dates from August 5<sup>th</sup> to August 29<sup>th</sup>.

The addendum identifies a ten year term, which would mature in April of 2026 and would reduce the rate of 2.36% in the original proposal down to 2.07%. That option would use one million of

the Authority's assets to reduce the outstanding balance to \$6.3 million. The second term would be a twelve year term, maturing in February of 2028 at 2.2% and would refinance the full balance of \$7.3 million. The Manager explained the interest savings over the life of the loan for the two options would be \$1,363,943 and \$1,049,136 respectively, given the revised interest rates. The Manager explained that to keep the ratios of the loan consistent, 90% of the one million dollars to pay down the loan would come from the wastewater side, and would likely be pulled from the funds set aside for the upgrade of the treatment plant, which is more than ten years away based on current growth. The portion for the Water department's contribution would probably come from funds encumbered for the development of the second Hess well, for the same reason.

The Manager explained that after much thought and consideration, he would recommend using one million of cash reserves to reduce the current balance and refinance the remaining \$6.3 million, citing the interest savings over the next 10 years and the fact that once the loan was paid off, the Authority would free up almost \$720,000 a year it is currently using to make principal and interest payments which could be redirected back into the capital budget.

The Board agreed to accept BB&T's proposal to use one million dollars in cash reserves to reduce the outstanding debt and to refinance approximately \$6.3 million dollars at 2.07% under what the bank was calling the ten year term on an S. McCleaf, D. McCarney motion (5-0).

#### **Registered Plumbers Addition**

The Manager presented a Certificate of Registration for James Zaiger to be added to the list of registered plumbers, stating that he had passed the exam and provided proper proof of insurance. The Board approved the addition of J. Zaiger to the list on an S. McCleaf, D. McCarney motion (5-0).

A. Geesaman inquired whether the Board needed to approve the addition and/or removal of plumbers from the list, or whether it was something that could just be handled administratively by WTMA staff. The Manager replied that he was not sure, but he would get the Registered Plumbers List Policy for review at a future meeting.

#### **Subdivision Update**

The Manager explained that the update had been missed for a period of time but would be presented to the Board from now on. He briefly reviewed the correspondence regarding subdivisions for the month and explained that none of the items required Board action at this time.

#### **Adjourn to Executive Session**

The Board adjourned to Executive Session to discuss Legal matters at 8:40 PM on an S. McCleaf, A. Geesaman motion (5-0).

#### **Reconvene to Regular Session**

The Board reconvened to regular session at 8:50 PM.

**Adjourn**

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

Sean McFarland, Manager, respectfully prepared these Minutes, and submitted on this 2<sup>nd</sup> day of August, 2016.

  
D. McCarney, Secretary/Treasurer