

# MANHEIM BOROUGH AUTHORITY MINUTES

Thursday, January 19, 2006 as amended at the February 16, 2006 meeting

- I. The meeting convened at 7:05pm with the Pledge of Allegiance.
- II. **Roll Call:** Chairman Doug Snavely, Vice Chairman Rick Schaidle, Secretary Kevin Brown, Treasurer Barb Horst, Assistant Treasurer/Secretary Rick Carpenter, Dr. Lew Jury, and Marc Phillips.

**Staff:** Borough Manager/Authority Administrator Robert Stoner, Recording Secretary/Utility Billing Administrator Candace L. Hoover, and Rettew Engineer Yves Pollart.

**Plant Operations Staff:** Facility Manger Dennis Dragas

## III. Election of Officers:

Ø A Motion was moved by Dr. Jury to nominate the current slate of officers. The Motion was seconded by Mr. Phillips, and passed unanimously.

Ø A Motion was moved by Mr. Brown to close the elections and appoint the elected officials as nominated. The Motion was seconded by Mr. Schaidle, and passed unanimously.

S Chair: Douglas Snavely

S Vice Chair: Rick Schaidle

S Secretary: Kevin Brown

S Treasurer: Barbara Horst

S Assistant Secretary/Treasurer: Rick Carpenter

## IV. Review and approval of Minutes - December 20, 2006:

- a. Dr. Jury indicated that “Kathy” should specifically be referred to as “Solicitor Gray” as a standard in the Minutes. He noted that on page 2, Section VI, the section regarding the Sludge Transfer Pump, the last sentence should read, “Mr. Dragas will call to verify specifications and price of the required pump.” Additionally, the section titled “Andy’s cost – Gramby Street” should be clarified by stating “J.G. Baker – Gramby Street Construction Costs”.
- b. Mrs. Hoover changed the sub-sections in Section VI to read a. through d. with carrots for the Motions.
- c. Mrs. Horst requested that Section VII, c-4-iv, the third sentence read, “The letter would not set our plan in stone. The letter will state that the Authority will be installing planks to satisfy the current storage requirements and are reviewing options for upgrading facilities to comply with the pending new standards.”
- d. Dr. Jury requested that Section VIII, c be referred to as “Discussions with the Northwest Lancaster County Authority.”
- e. Dr. Jury and Mrs. Horst requested that page 4, Section VIII, c be reworded to say, “Dr. Jury was troubled by the fact that no one from this Authority was given the opportunity to attend the meeting. The Authority was in agreement that they be equally, if not more, involved with putting together what the Authority needs and wants. The Authority also agreed that these discussions should be between the two Authorities.”

Ø A Motion was moved to approve the Minutes as amended by Mr. Brown. The Motion was seconded by Mr. Schaidle, and passed unanimously.

## V. Treasurer’s Report

- a. Financial Review: Mrs. Horst reported that the Auditor had the Fiscal Assistant make adjustments to the financial reports to present them as an accrual based account for his reporting. As stated, the report does not reflect the Authority's cash-basis accounting process. Mrs. Horst will speak with the Auditor about how the reporting can be done differently and how a true year-end picture could be represented. She explained that it would be more beneficial to the Authority to have the Fiscal Assistant print the report just before these final adjustments are made. The Authority will table the report until a more accurate one is provided.
- b. Manheim Borough Authority Investment Report: Mr. Stoner reviewed the Authority's bonds and recommended that an application for release of the 2001 Construction Bond funds, held by Fulton Bank, be processed. This should result in closure of that fund source. Funds received from that transaction would be rolled into the BR&I account or the Series 2001 Bond Project Fund held by the Bank of Lancaster County. (See attached.)
  - 1. Mrs. Horst feels that the bonds should be put into the BR&I account.
  - 2. Dr. Jury requested a statement of debt, listing what is owed and to whom. Mr. Stoner will have the Fiscal Assistant provide that at least quarterly. Dr. Jury would prefer if it be included on the bottom of the investment report, not as an additional page.

Ø A Motion was moved by Mrs. Horst to approve the moving of funds from the Fulton Bank Bond Account to the Bond accounts at the Bank of Lancaster County. The Motion was seconded by Mr. Brown, and passed unanimously.
- c. Review & Approval of Vouchers:
 

Ø A Motion was moved by Mr. Phillips to approve the payment of the current vouchers in the amount of . The Motion was seconded by Mrs. Horst, and passed unanimously.
- d. 2006 Budget: A copy of the approved budget was distributed to the Authority.

**VI. Visitors:** None were present.

**VII. Engineers Report - RETTEW Associates:**

- a. TAH – WTP: Mr. Pollart reported that the final payment request was received from TAH Construction in the amount of \$5,369.36. This request is in the form of a reconciliation change order which Mr. Pollart recommends for payment.
 

Ø A Motion was moved by Dr. Jury to make payment of the \$5,369.36 as recommended by Rettew. The Motion was seconded by Mr. Brown, and passed unanimously.
- b. Marks – Pump Station: Mr. Pollart presented a payment request for Marks in the amount of \$42,287.35 with \$500.00 being retained for seeding work around the outside of the facility. Mr. Stoner reported that he had received favorable responses from the adjoining property owners in relation to Marks' efforts.
 

Ø A Motion was moved by Mr. Brown to make payment of Payment Request #4 to Marks Contracting in the amount of \$42,287.35. The Motion was seconded by Mr. Schaidle, and passed unanimously.
- c. Sun Hill Water Tank: Mr. Pollart and Mr. Stoner reported the status of the bids for the water tower. Copies of contract documents had been provided by Glace & Associates for the Authority's review and approval, including the recommendation to award the bid to Caldwell Tanks. Dr. Jury requested a certification/seal of approval from the Engineer and Solicitor Gray for compatibility

between the agreements between the developer and the Authority, as well as bid specifications. Mr. Schaidle concurred. He stated that the Authority needs to be assured that their interests are being protected.

Mr. Pollart noted that Rettew will be on site to perform inspections as the project progresses. Mrs. Horst noted that Penn Township will also participate in the inspection process due to their financial investment in the water tower. Mr. Stoner suggested that there be coordination between the Rettew and the Township engineers to avoid duplication of efforts.

Ø A Motion was moved by Mr. Brown to ratify the contract subject to approval from Rettew Associates and Solicitor Gray and receipt of the improvement guarantee. The Motion was seconded by Mr. Schaidle, and passed unanimously.

- d. Graham Alley: Mr. Pollart reported that Rettew recommends the excavation and replacement of the entire length of pipeline. Mr. Dragas agrees with the recommendation. Mr. Pollart feels that the Authority should budget at least \$75K considering the depth of the lines. (That figure includes \$10K for engineering costs.) Mr. Stoner will speak with the Borough about assisting with or completing the paving/ reconstruction of the alley in relation to this project.

Ø A Motion was moved by Mr. Schaidle to proceed with preparing the project for bidding. The Motion was seconded by Mrs. Horst, and passed unanimously.

- e. Wells: Mr. Pollart reported that the water supply is currently based on Well #4 with the quarry well as a backup. The current effort to permit Well #6 will result in all of the water sources being in the same aquifer. He recommends approaching the Susquehanna River Basin Commission and DEP for permission to seek out additional wells as a precaution.
1. Mr. Pollart explained how fracture traces are used to locate wells.
  2. Mr. Brown noted that the wells should be considered part of the Authority's good stewardship as well as an asset.
  3. The Authority has an additional well that has not been used due to a high Sulfur content. The Authority was in agreement to have it tested to see if it may be usable. Staff will coordinate testing and Mr. Pollart will provide a formal proposal to the Authority.

#### VIII. **Operations Report:** (See attached.)

- a. Chemical Disposal: The old chemicals have been removed from the treatment plant.
- b. Filter Press: Mr. Dragas stated that he has a quote under the budgeted amount.
- c. Capital Budget Report: The Fiscal Assistant provided this report in the packets so that the Authority can keep track of pre-approved projects.
- d. WTP: Mr. Dragas reported that there is a malfunctioning blower at the WTP. The manufacturer has been contacted to fix it as it is still under warranty.
- e. WWTP Additional Analytical Analysis Recommended by Authority Engineers: MEI will not charge for the sampling, rather only for the actual cost of the tests. These are necessary to provide information for the design of the new WWTP that will be needed to meet the new DEP standards as part of the Chesapeake Bay Strategy. The Authority was in agreement to proceed with the testing.
- f. Park Hill Booster Station Pump: The pump is currently off-line and is exercised periodically. It currently operates as a back-up pump. Mr. Pollart recommends it remains that way.
- g. Testing Services: Mr. Dragas provided quotation for discharge tests related to the WWTP upgrade.

Ø A Motion was moved by Mrs. Horst to approve the testing in the amount of \$1,200. The Motion was seconded by Mr. Brown, and passed unanimously.

## IX. Management Report:

- a. Water Tower Signage: Ed Arnold sent pictures of potential signage for the water tower. Mr. Stoner indicated that the cost for signage is approximately \$300 per letter. There are currently no known groups interested in signing the tower.
  1. Mr. Brown stated that it is best if the Authority does not draw attention to their assets. Mrs. Horst and Mr. Phillips concurred adding that the Authority could not justify spending funds on tank lettering.
  2. Mr. Snavely stated that a solid color should be painted on the tank. Someone may present an offer in the future, at which point the subject could be revisited. Mr. Brown stated that if signage was a revenue source he would possibly be in favor of it.

Ø A Motion was moved by Mr. Schaidle to deny the request for lettering on the water tower. The Motion was seconded by Mrs. Horst, and passed unanimously.
  
- b. East Gramby Street Sewer Line: Mr. Dragas reported an approximately \$30K for the cost of the project. Dr. Jury stated that the project's cost has grown exponentially since its original presentation. With the pending project cost of the Graham Alley project, Dr. Jury and Mr. Schaidle felt that it would be beneficial to our constituents to continue regular maintenance on the Gramby Street project and table it for the future. Mr. Pollart recommended bidding this project as an alternate bid to the Graham Alley project.

Ø A Motion was moved by Mr. Schaidle to reject all bids for the East Gramby Street project and to reimburse J. G. Baker for the cost of the obtained bonds and insurances. The Motion was seconded by Mr. Carpenter, and passed unanimously.

Ø A Motion was moved by Mr. Schaidle to authorize Rettew to combine the East Gramby Street and Graham Alley projects keeping Gramby Street as an alternate. The Motion was seconded by Mr. Carpenter, and passed unanimously.
  
- c. Miller Environmental Incorporated Contract: Discussion was had relative to the Authority taking lead on the contract negotiations. Dr. Jury expressed a concern about Council's potential separation for street maintenance and the Authority's need to understand their position. Mrs. Horst stated that joint meetings will help when working through the contract. The Authority was in favor of having a joint executive session to discuss the contract and requested that Mr. Stoner send a letter to Council to that effect.
  1. Discussion was had on the learning curve required for new staff if another company won the contract. The services from MEI thus far have been acceptable.
  2. February 8<sup>th</sup> and 9<sup>th</sup> were discussed as possible meeting dates.
  3. Mr. Stoner will provide some sort of an agenda and facilitate the meeting.
  
- d. PMAA: It would cost approximately \$1,300 to join. The benefit would be that the PMAA is working for the interests of the municipalities. They have two paid lobbyists who pushed for legislators to get involved with the Chesapeake Bay Strategy. They also have two solicitors on retainer for questioning without additional cost, amongst other benefits.

Ø A Motion was moved by Dr. Jury to join the PMAA. The Motion was seconded by Mr. Brown, and passed unanimously.
  
- e. Water House: Mr. Stoner will be meeting with a contractor next week to review the property so that the contractor may develop a proposal. He will e-mail any updates. Dr. Jury and Mr. Snavely would like to explore having the property used as a business.
  
- f. Rate Analysis Presentation & Discussion: (See attached.)

- g. Letter from Mrs. Zug: Mrs. Zug's letter was reviewed which led to a discussion on a possible dormancy rate. Mr. Pollart noted that fees should be based on production and distribution as well as debt service. Charging for water shut off and reinstatement does not cover that.
  - 1. A letter will be provided to Mrs. Zug recapping the Authority's discussion.
- h. Rate Proposal: Following discussion on the information provided, it was decided that the best course of action would be to schedule an early evening work session. Dr. Jury stated that a goal would be equity. Mr. Brown agreed. They also concurred that simplicity is a second goal. Mr. Snavely was not interested in increasing revenue by modifying rates. Mrs. Horst would only support a fee schedule that was income neutral.
- i. Rate Complaint Letters (Diana Martin for Dorothy Reichenbach and Leslie Heistand): Discussion was had on the costs required to be paid by the residents. Consideration will be made during the rate study.

## **X. New Business**

- a. PMAA: Discussed at IX-d.
- b. Baron Warner: Discussion was had relative to the sewer lateral servicing 181 N. Hazel Street. Mr. Stoner and Mr. Dragas reported failure of the existing lateral and other specifics relative to the connection. Rock, grade, and basement service do not permit connection to the sewer line in N. Hazel Street, as such the current connection to Adele Ave. must be retained. Mr. Warner was seeking some financial relief due to the extreme length of the lateral. (No formal proposal has been received.) Mr. Pollart commented that some Authorities require property owners to replace services to the main (as we do) while others would accept responsibility from the main to the property line. No action was taken.

## **XI. Old Business**

## **XII. Adjournment**

- Ø A Motion was moved by Mr. Schaidle to adjourn at 10:33pm. The Motion was seconded by Mr. Brown, and passed unanimously.

Respectfully submitted,

Candace L. Hoover  
Recording Secretary/ Utility Billing Administrator

# MANHEIM BOROUGH AUTHORITY MINUTES

Thursday, February 16, 2006

- I. Chairman Snavelly convened the meeting at 7:06pm with the Pledge of Allegiance.

**Roll Call:** Chairman Doug Snavelly, Vice Chairman Rick Schaidle, Secretary Kevin Brown, Assistant Treasurer/Secretary Rick Carpenter, Dr. Lew Jury, and Marc Phillips.

**Staff:** Borough Manager/Authority Administrator Robert Stoner, Recording Secretary/Utility Billing Administrator Candace L. Hoover, and Rettew Engineer Yves Pollart.

**Plant Operations Staff:** Facility Manager Dennis Dragas

**Absent:** Treasurer Barb Horst

## II. Review and Approval of Minutes of January 19, 2006:

- a. Dr. Jury requested that on page 5, Section IX-c-1-sentence two read, "The services from MEI thus far have been acceptable."
- b. Dr. Jury also requested that on page 5, Section IX-e-sentence three read, "Dr. Jury and Mr. Snavelly would like to explore having the property used as a business."
- c. Dr. Jury indicated that on page 1, Section III- the first Motion- the first sentence should read, "A Motion was moved by Dr. Jury to nominate the current slate of officers."
- d. Mr. Snavelly requested that page 5, Section IX-h-sentence five read, "Mr. Snavelly was not interested in increasing revenue by modifying rates."
- e. Dr. Jury added that on page 5, Section IX-i should read, "Discussion was had on the costs required to be paid by the residents. Consideration will be made during the rate study."

Ø A Motion was moved by Mr. Schaidle to approve the Minutes as corrected. The Motion was seconded by Mr. Phillips, and passed unanimously.

## III. Treasurer's Report:

- a. Financial Review: Mr. Stoner reported that the income and expenditures have not been handed out due to the closing of the year in the financial systems. It will be provided next month.
  1. Mr. Stoner reported that the year-end adjustments have been made. When Mrs. Horst returns from vacation she will review it before it is handed out to the rest of the Authority.
- b. Investment Report: Mr. Stoner reviewed the report's format modifications.
- c. Authorization to Pay Current Vouchers: Mr. Stoner explained that the Solicitor is paid on an established hourly fee. The hourly rate will be provided at the next meeting.
  1. Mr. Dragas clarified that the PP&L - Colebrook Road line item is for the pump station that is on Old Line Road. Mr. Stoner will see if the address can be modified as Colebrook Road is a Rapho Township address.

Ø A Motion was moved by Dr. Jury to authorize payment of the current vouchers in the amount of \$277,562.07. The Motion was seconded by Mr. Brown, and passed unanimously.

- d. 2001 Construction Fund Report: Mr. Stoner presented a copy of the paperwork for the disbursement of funds from the Construction Fund held at Fulton Bank. (See attached.) Discussion was had on the remaining bonds in the Authority's ownership. Solicitor Gray is in the process of reviewing the necessary information. The Authority was in agreement to continue to move forward as discussed.

## IV. Engineer's Report:

- a. Filter Plant: Mr. Pollart reported that the final paperwork has been submitted to Pennvest to close out the project and forward the remaining funds to the Authority.
- b. Sun Hill Water Tank: Glace Associate's letter recommending Caldwell Tanks, which was submitted at the January meeting, has been reviewed and approved by the engineers. The project will be awarded to Caldwell Tank.
- c. Future System Improvements: Mr. Pollart will be able to discuss the modeling project next month. The report will be presented with a summary report, appendices and supporting data. Mr. Stoner suggested that the model be reviewed before further discussions are had with the Northwest Lancaster County Authority.
- d. Graham Alley: Mr. Pollart's submission regarding the scope of work for Graham Alley's sanitary sewer replacement was handed out and reviewed by the Authority. The Gramby Street project is an alternative part of the package. (See attached.)

Ø A Motion was moved by Mr. Schaidle to accept Rettew's proposal including construction supervision in the amount of \$14,210.00. The Motion was seconded by Mr. Phillips, and passed unanimously.

- e. Chesapeake Bay Strategy: Mr. Pollart will provided items such as the McGinty letter (see attached) as he finds them so that the Authority may stay informed.
  - 1. Mr. Pollart spoke with the Deputy Director of Pennvest. Pennvest has set aside \$50 million in grants and loans to assist Authorities with the BNR. Currently \$500 million of projects have been submitted, indicating the competitive nature of obtaining assistance.
- f. BNR Proposal: The proposal submitted at the January meeting was revisited for discussion. Discussion was had on what timing should be taken on approving the proposal considering that DEP has not solidified their requirements for discharge levels.
  - 1. Mr. Snively requested that staff gather information on funding sources for this project. Mr. Stoner reminded the Authority that the sludge storage pad upgrades will have to be completed simultaneously. The staff will keep this in mind as they research funding. Currently the combined packages total about \$6 million to upgrade the 15 year old plant.
  - 2. Dr. Jury calculated that in 2007 the Authority should have half of the funds set aside for beginning the project. A projection for the status of the debt service for that time period would be useful. Mr. Schaidle added that the debt service incurred for undertaking this project should also be considered.
  - 3. Mr. Dragas and Mr. Pollart verified that currently the WWTP's Nitrogen output is 22 milligrams per liter (mpl). Under the new regulations the output can only be 8mpl. The plant's current Phosphorus output is 2mpl. The new regulations require 1mpl.
  - 4. Dr. Jury suggested that the county Authority officers make a presentation to the newspapers in attempts to inform the public of the affects of the DEP policies. Mr. Stoner will approach Solicitor Gray about putting together a presentation. Her experience with multiple authorities will be useful.
  - 5. Mr. Snively suggested that the staff begin circulating letters to the higher officials. The letter is to include the best figures that can be deduced to illustrate the financial burden that will be imposed to the Authorities and their constituents. It must also express the deep concern the Authority has for their constituents.
  - 6. Mr. Brown stated that the Authority also needs to consider their plant operating costs. If funds must be spent on a new facility, it should include a way to lower the operational costs. For example, if we have to spend an additional amount of funds to purchase equipment that would lower operational cost, it would be less costly as a whole in the long run.
  - 7. Mr. Pollart added that if the upgraded/new plant were to produce an output below the new regulations, it would produce output credits. These credits could then be sold to offset the debt of the upgrade. He highlighted previous discussion had at prior meetings that were

- brought up by Mr. Stoner in relation to other options that may provided output credits such as the sediment removal in Chiques Creek. Mr. Brown stated that the output credit values can only be speculated upon, because their value will be based upon the demand of other Authorities.
8. Mr. Pollart reported that DEP has created a list of approximately 190 authorities that they have deemed a priority for requiring them to meet the new output standards. There are only a few contractors permitted to build these types of plants or make the necessary upgrades, so supply and demand will play a huge role in plant costs.
  9. Mr. Schaidle requested a letter be included in the Borough newsletter in relation to the new requirements being proposed by DEP. Further discussion was had on informing the public and the local officials of the dilemma posed before the Authority and possible funding options to alleviate the costs of the necessary plant improvements.
  10. Mr. Pollart clarified that DEP has policies in place that request a year of operational data by December of 2010. That would require the new or upgraded plant to be fully operational within the new regulations by 2009. Mr. Stoner stated that these policies have been set in place without any legislative backing. Dr. Jury added that this emphasizes the need to involve higher government officials.
  11. Dr. Jury suggested that we begin by researching the bond process. Mr. Stoner will approach Solicitor Gray to start the process on attaining bond information. Secondly, he suggested that a heavy PR campaign be started. A letter needs to be circulated to the local and state representatives and newspapers as previously discussed.

## V. New Well Development

- a. Unused Well: Mr. Pollart discussed the well and its previous Sulfur content. Testing its current levels may run between \$1K & \$2K. The staff will look for any files that may provide insight on the status of the well's Sulfur content. The Authority concurred that if the Sulfur levels have dropped and it tests as usable, it would be a large asset. Mr. Schaidle concurred. Discussion was had on possible ways lines could be run from the well to the plant for treatment.
    1. Mr. Stoner suggested that land closer to the treatment plant be considered for locating a new well. He indicated that he felt this way because of the cost that would be incurred providing a system to pump the raw water from the well to the treatment plant. Mr. Schaidle expressed a concern about operating on one well. He echoed Dr. Jury in the statement that it is this Authority's responsibility to protect the Authority's water sources. Dr. Jury requested that Mr. Pollart ask a hydro-geologist about how the source of Sulfur would get into the well and the probability of it lessening over time.
    2. Mr. Stoner reported that DEP has been out testing wells that may have been affected by runoff from the Gibble quarry. They may have information on our wells within that area. Dr. Jury noted that a well had been dug about 20 years ago on private property. The Authority should look into purchasing it for use as a raw water source.
    3. Mr. Brown stated that when the Sulfur test is done on the unused well, the other tests that are necessary such as flow testing should be done at the same time. Mr. Pollart noted that a test well test is approximately \$1,600. Speculatively, from start to finish, a well may cost \$125,000.
- Ø A Motion was moved by Mr. Brown to direct Rettew to proceed with the well test proposal as presented. The Motion was seconded by Dr. Jury, and passed unanimously.

## VI. Operations Report (See attached.)

- a. WWTP Permit: Mr. Dragas reviewed his report. The heavy rain flows caused the plant output flows to exceed their permit for the month of January. The fickle weather plays large part in the functionality of the plant's processes.



- b. Report Correction: Mr. Dragas reported a correction on the report. The total sludge received was 2 million, not 1 million.
- c. Generator: Discussion was had on replacing the breaker arm for the generator. Mr. Dragas suggested that one be purchased and the current one be sent to be rebuilt. That would allow for a rotation. Mr. Stoner requested that pricing be obtained from the State Contract.

Ø A Motion was moved by Mr. Schaidle to approve the purchase of a new breaker and to send the current breaker out for rebuilding. The Motion was seconded by Mr. Carpenter, and passed unanimously.

- d. WWTP Roof Repair Pricing: (See attached.) Les Jackson provided the best pricing. Discussion was had on the pricing and the specifications and materials presented by each contractor. Several members expressed positive experiences with Mr. Jackson. The Authority was in agreement to obtain warranty information on the roof. Mr. Schaidle stated that a good rubber roof should last at least 20 years.

Ø A Motion was moved by Mr. Schaidle to authorize Mr. Dragas to proceed with awarding the job to Les Jackson with the provision of a proper warranty. The Motion was seconded by Mr. Carpenter, and passed unanimously.

- e. WTP Fencing: Mr. Dragas reviewed a sketch with the Authority which illustrated proposed fencing for the WTP. He is still in the process of obtaining quotes. He made sure that the same specifications were distributed to all of the other contractors. The first quote received is for approximately \$1,300.
  - 1. Discussion was had on the location of the proposed fence. The Authority was concerned that the fence be placed property to prevent trespassing.

## VII. **Management Report**

- a. Joint Council Meeting Schedule: The Authority was in agreement to hold the meeting on the 21<sup>st</sup> of March at 7pm. The 22<sup>nd</sup> will be held as a contingency date.
  - 1. Mr. Dragas suggested that the new WTP tour be held for the Authority and Council on either the 28<sup>th</sup> or 29<sup>th</sup> of March after 4pm. The Authority is flexible with the dates, they will wait for Council's reply.
- b. Rate Analysis Work Session: Mr. Schaidle prefers Thursdays, Mr. Brown prefers meetings beginning around 4pm – 4:30pm. Staff will provide correspondence compiling possible dates.
- c. Water House Discussion: (See attached.) Discussion was had on merging the property into Authority use to save on residential taxes. Income was made on the house as a rental unit, but not enough to make improvements on the property. The Authority agrees that the property is not a positive revenue source and directed Mr. Stoner to provide a demolition proposal next month.

## VIII. **New Business**

- a. Quail Creek Subdivision: Mr. Stoner reported that Penn and Rapho Townships have presented a proposal to the Authority for the area off of Pinch Road above Cider Press Road and the Turnpike. They would like to create a package WWTP with individual wells. They have inquired as to the Authority's interest in managing the plant. It is an opportunity for revenue. Mr. Pollart stated that the permit must be in the name of an Authority or a municipality. A management agreement would be necessary and due to the Chesapeake Bay Strategy all new plants will have to have a net output flow of zero Nitrogen and Phosphorus. The Authority is not interested at this time.

## IX. **Old Business**

- a. Capital Reserve Funds: Dr. Jury would like to engage a capital reserve fund for capital improvements. The fund would be put aside for future projects, for example the funds currently coming in could be set aside rather than placed in the General Fund. Mr. Snively stated that our BR&I fund is currently our capital reserve fund. Mr. Jim Kuntz will be providing a recommendation with his audit report that may enlighten the subject.
- b. Authority Newsletter: Dr. Jury suggested the issuance of an Authority newsletter. He feels that part of the Authority's responsibility is to keep their constituents informed of their current activity and future projects, etc. Mr. Pollart will provide information from Rettew's marketing division.
- c. Lancaster County Planning Commission (LCPC): Mr. Snively reported that he received a packet on a comprehensive plan for Lancaster County from the LCPC. The information is provided via a compilation books or online at: [www.co.lancaster.pa.us/planning](http://www.co.lancaster.pa.us/planning). The proposed draft is provided for review and comment. Comments are being accepted for a limited time.

## X. Adjournment

- Ø A Motion was moved by Mr. Schaidle to adjourn at 11:05pm. The Motion was seconded by Mr. Carpenter, and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary/Utility Billing Administrator

# MANHEIM BOROUGH AUTHORITY MINUTES

March 16, 2006

- I. Chairman Snavelly convened the meeting at 7:05pm with the Pledge of Allegiance.
- II. **Roll Call:** Chairman Doug Snavelly, Treasurer Barb Horst, Assistant Treasurer/Secretary Rick Carpenter, Dr. Lew Jury, and Marc Phillips.

**Staff:** Borough Manager/Authority Administrator Robert D. Stoner, Recording Secretary/Utility Billing Administrator Candace L. Hoover, and Rettew Engineer Yves Pollart.

**Absent:** Vice Chairman Rick Schaidle and Secretary Kevin Brown

**Plant Operations Staff:** Facility Manger Dennis Dragas

## III. Review and approval of Minutes - December 20, 2006:

1. Mr. Stoner clarified that Section VIII-a sentence one should read, "Mr. Stoner reported that Rapho Township has presented a proposal to the Authority for the area off of Pinch Road above Cider Press Road and the Turnpike."
- A Motion was moved by Mr. Phillips to approve the Minutes as amended. The Motion was seconded by Mr. Carpenter, and passed unanimously.

## IV. Treasurer's Report

- a. Authorization to Pay Vouchers: Mr. Snavelly inquired about the AP Breaker line item. Mr. Dragas explained that it is for PS3's breaker, which went out in January.
  - A Motion was moved by Mr. Carpenter to pay the invoices in the amount of \$12,835.96. The Motion was seconded by Mrs. Horst, and passed unanimously.
- b. Questions Revenue & Expense/Capital Project Report: Mrs. Horst indicated that the debt services were paid in February for both water and sewer. This is paid twice a year.
  1. Sewer Fund: 08.392.000 – Interfund Operating Transfers: Fiscal Assistant Mitchell applied the remaining bond funds to this line item. The figure should have been placed into the fund balance so there will be an adjustment next month.
- c. Investment Report Questions: Discussion was had on the investments report. Dr. Jury requested a simpler format for the report. Mrs. Horst will follow up on it.
- d. Capital Fund Projects: A few items were reviewed by Mr. Dragas. (See attached.)

- V. **Visitors:** Keith Shaffer of 329 West High Street: (See attached.) Mr. Shaffer did not have anything to add to his letter except that he only has one meter for the three units. Mr. Stoner reviewed the rules and regulations for charging minimums to each unit regardless of their vacancy or number of meters. Mr. Pollart indicated that minimum fees are instituted to cover the costs of providing capacity to customers. Mr. Stoner clarified that there are no zoning regulations preventing Mr. Shaffer from renting the two vacant apartments. Another option would be for Mr. Shaffer to abandon the EDUs for the vacant units, thereby forgoing the minimum charges associated with keeping them in service. He would have to sign off to understanding that reinstating the EDUs would require paying the current tapping fees for each unit. This is something to consider if he would want to sell the property as a rentable facility. The Authority was in agreement to take Mr. Shaffer's situation into consideration during their rate study.

## VI. Presentations:

- a. Newsletter Proposal – Laura Templeton – Rettew: Mrs. Templeton reviewed some of the items that the Authority expressed interest in for their newsletter. Rettew is proposing to obtain a list of items for publication from the staff. They would interview the board members or the staff to create articles. The entire proposal would be billed on a time and expense basis. The total given in the proposal is an estimate based upon their experience with other customers. The mail house used by Rettew is able to merge the mailing addresses and automatically purge any duplicate ones so that extra copies are not mailed. The postage in the proposal is based on a bulk rate. With this mailing type, anything that is undeliverable would not be returned to the office.
  1. Mr. Snavelly stated that it is a small price to invest to educate our customers. Mr. Phillips indicated that it is a fraction of a fraction of one percent of the budget. Mrs. Horst noted that at this critical stage in the decision making process, this sort of information is priceless. The more information the customers have up front, the better the relationship the Authority will have with them. She also indicated that the initial set up will cost more than what subsequent issues will cost. Mr. Pollart added that because this is the first issue it may be larger than additional issues, which will also help manage cost. Mr. Stoner stated that the staff should get involved later in the process once the format, etc. has already been set. Mrs. Horst noted that the Authority must consider that the staff members are the employees of the Borough.
  2. Logo: Discussion was had on whether or not a logo was necessary. Mrs. Horst noted that as nice as logos are, they are frivolous items compared to the current pending expenses. Dr. Jury suggested that a contest be held for the school students to develop a logo.
  3. CCR Report: The Authority was in agreement to send the CCR report as a separate mailing.
    - i. Mrs. Templeton noted that an article could be placed in the newsletter preparing customers for the CCR report and/or directing them to the web site for more information.

➤ A Motion was moved by Mr. Phillips to approve Rettew's moving forward with the newsletter, forgoing the logo creation. The Motion was seconded by Dr. Jury, and passed unanimously.
- b. Water Distribution Model – Yves Pollart – Rettew: (See attached.) The completion of this module fulfills the Authority's obligation to the Northwest Lancaster County Authority to provide an analysis of the Authority's water system.
  1. Pressure: Discussion was had on several areas of low pressure.
  2. Updates: The model will be updated whenever new developments are added to the system.

## VII. Reports:

- a. Engineer's Report – questions: (See attached.) Mr. Pollart reported that, on Wednesday the 22<sup>nd</sup> of March, he, Pat Vance, Secretary McGinty and representatives of PMAA will be in attendance at a public meeting in Mechanicsburg to discuss the Chesapeake Bay Strategy.
  1. Wells: Discussion was had on obtaining permission to seek out new raw water sources.
    - i. Pre-existing Well: The pre-existing well was taken out of use in 1989 due to nitrates, not Sulfur. There is a possibility that the well could be used without additional filtration.
- b. Operator's Report – questions: (See attached.) Mr. Dragas reviewed some of the processes involved in treating wastewater. He and Mr. Pollart explained how increased I&I negatively effects the amount of solids passing through the system.
  1. PA DEP Plant Inspection – Part II Permit Modification: A change was made to the digestive treatment process. The certification process and the \$500.00 fee will be handled by Miller Environmental.
  2. Fencing: Mr. Dragas presented three quotes for the project. The quote provided by Eyeman Fencing is based upon a considerably better grade of posts. The Authority was in agreement to

- obtain competitive pricing based upon the higher gauge posts. Mr. Dragas will contact the Authority via e-mail or phone to notify them of the results and obtain their votes for awarding.
- c. Administrator's Report – questions: Mr. Stoner clarified that the Susquehanna River Basin Commission segment pertains to Well #6. Mr. Stoner has not met with any resistance from the affected property owners.
    1. WIP: Discussion was had on whose names should be included on the plaque.

#### VIII. **Action Items**

- a. Newsletter: Previously discussed in Section VI-a.
- b. Fencing: Previously discussed in Section VII-b-2.

#### IX. **New Business**

- a. Finance Options – Concord Public Finance (April 20, 2006 Presentation)

#### X. **Old Business**

- a. Rate Survey – date for work session: Staff will e-mail dates to the Authority.
  1. Mr. Pollart explained that one argument for charging a different rate based on meter size is that larger meters cost more than smaller meters. Any maintenance or replacement would be of an additional cost to the Authority. Discussion was had on billing by meter size and/or use.
  2. Mr. Pollart explained that when capital improvements are required within five years the financing can be used in calculating tapping fees.

#### XI. **Adjournment**

- A Motion was moved by Mrs. Horst to adjourn at 10:01pm. The Motion was seconded by Mr. Carpenter, and passed unanimously.

Respectfully Submitted,



Candace L. Hoover  
Utility Billing Administrator

MANHEIM BOROUGH AUTHORITY & MANHEIM BOROUGH COUNCIL  
JOINT MEETING AGENDA

Tuesday, March 21, 2006, 7:00p.m.

CALL TO ORDER:

Moderator – Rob Stoner, Borough Manager / Secretary / Authority Administrator

PLEDGE OF ALLIGIANCE TO THE FLAG & MOMENT OF SILENT MEDITATION

ANNOUNCEMENTS:

- We are recording the proceedings for the purpose of assisting in creating Minutes.
- There is no smoking permitted.

INTRODUCTION OF AUTHORITY AND COUNCIL MEMBERS:

Douglas Snavelly – Chair	Thomas Showers - President
Rick Schaidle – Vice Chair	Bonita “Bonnie” Martin – Vice President
Kevin Brown – Secretary	Doug Shaub – Pro Tempore
Barbara Horst – Treasurer	Philip Enterline
Rick Carpenter – Assist. Secretary / Treas.	John Eshelman
Dr. Lewis Jury and	Randall Kreiser and
Marc Phillips	Mayor Thomas Fee

OPENING STATEMENTS:

In August of 1999 the Borough entered into a contract for maintenance and operation of the water and sewer systems owned by the Authority, which at that time were operated by Borough Council.

That contract was replaced in February of 2000 with a new agreement which added management of the Borough's Public Works Department.

In 2001 the Authority's status changed from that of an owner of facilities only to that of an owner and operator of facilities. As such the Authority began a more active role in the daily operation of the water and sewer facilities as well the decision making processes.

**The primary purpose of this meeting is for the Borough and Authority to discuss the opportunities that exist related to contract services for the period to begin February 1, 2007.**

THE CURRENT CONTRACT STRUCTURE:

The present contract recognizes three (3) separate and distinct areas of service:

Water – Treatment and Distribution

Sewer – Treatment and Distribution and

Public Works – This term is not defined, but based on the employees Miller absorbed in relation to the contract revision of 2000 the public works area would have included – mowing of Borough and Authority – non park properties, meter readings and all street and storm water work including responsibility for street openings related to water and sewer line repairs

CONTRACT FEES:

Primarily fees for services were to increased by 5% per year with the exception that certain facility upgrades carried with them an opportunity for Miller to increase rates according to the increase on the demand for either more time or higher operating costs.

CONTRACT NEGOTIATIONS:

1. In discussions held over the past year or so there was an expressed interest, by both entities, that the next contract negotiation or requests for proposals should be undertaken by the Authority.

TOPICS THAT NEED DISCUSSION AND MUTUAL AGREEMENT:

1. Borough Council has expressed an interest in going its own way when it comes to the operations of a Street Department.
  - a. This would likely involve the hiring of a working foreman who would coordinate his/her activities with the Borough office.

- b. If Council separates there needs to be a clear understanding of what services would be affected. For that purpose the attached listing comparing Public Works and Street Dept. duties has been created.
2. If Council does not opt to go the route of a separate arrangement any new contract would need to address some specific concerns relative to certain items that are not mentioned within the current form. (i.e. hours dedicated to the Street Dept., definition of services to be provided, staff / employee supervision and experience.) *That's no big deal since there are items on the Authority side that would also need to be addressed.*
3. Other topics that deserve discussion would be:
  - a. Shared equipment purchasing and operating expenses
  - b. Process under which street openings would be made and repaired
    - i. Contract with an excavator
  - c. Reimbursement for services between the Authority and the Borough

ADDITIONAL TOPICS AND REFLECTIONS:

SUMMARY:

ADJOURNMENT:

## MANHEIM BOROUGH AUTHORITY MINUTES OF

April 20, 2006 as revised at the May 18, 2006 meeting

- I. **Roll Call:** Chair Douglas Snavelly, Vice Chair Rick Schaidle, Treasurer Barb Horst, Assistant Treas. /Sec. Rick Carpenter, Dr. Lewis Jury, and Marc Phillips.

**Staff:** Borough Manager/Authority Administrator Robert Stoner, Recording Secretary/Utility Billing Administrator Candace Hoover, Fiscal Assistant Sandi Mitchell, and Authority Engineer Yves Pollart.

**Plant Operations Staff:** Facility Manager Dennis Dragas

**Absent:** Secretary Kevin Brown

- II. **Call to Order with Pledge of Allegiance:** Chairman Snavelly convened the meeting with the Pledge of Allegiance at 7:05pm.

### III. Approval of Minutes

- a. Manheim Borough Authority and Manheim Borough Council Joint Meeting of March 21, 2006: Mr. Stoner indicated that the title should read “Manheim Borough Authority and Manheim Borough Council Joint Meeting, March 21, 2006.” Dr. Jury indicated that the opening line should read, “The meeting was convened at 7:04pm by Mr. Stoner.” Mr. Snavelly and Mrs. Horst concurred that under the first bullet, sentence five and six should be combined to read, “Mr. Stoner stated that he was instructed to send notice to Miller that we will not be extending the current contract.”
- b. Manheim Borough Authority Minutes of March 16, 2006: Dr. Jury noted that under Plant Operations Staff ‘manager’ is misspelled in Mr. Dragas’ title. Mr. Snavelly stated that in Section III, subsection 1, the quote should read, “Mr. Stoner reported that Rapho Township has presented a proposal to the Authority for the area off of Pinch Road between Cider Press Road and the Turnpike.”

Ø A Motion was moved by Dr. Jury to approve the Minutes as amended. The Motion was seconded by Mr. Phillips, and passed unanimously.

### IV. Treasurer’s Report

- a. Authorization to Pay Vouchers: Mr. Snavelly inquired about the amount of charges from Rettew. He wanted to verify where the Authority stands as far as their contract is concerned. Such information would be helpful with any other ongoing contracts for the Authority to keep track of expenses. Mrs. Hoover made note that Mrs. Horst is to receive a copy of the Rettew invoices.

Ø A Motion was moved by Mr. Carpenter to pay the current invoices. The Motion was seconded by Mr. Phillips, and passed unanimously.

- b. Financial Report: Mrs. Horst reported that there are a few negative amounts under the water revenue fund due to the 2005 adjustments that have been made. The Auditors have required the adjustments for the federal reporting. These figures usually appear only in the



year end statements, because depreciation is not a budgeted item for cash reporting. She and/or Mrs. Mitchell will speak to the auditor about year end adjustments made against the current year's funds. The figures will be shown in the 2005 financials. By posting these figures to the year end as opposed to the actual cash operation allows the Authority to focus on funds coming in and being spent.

1. Mr. Snavely inquired about the Kendig line item in the water revenue report. The actual amount appears to be low compared to the budgeted amount for the year. It was discussed that for 2006 the ward including those residents are billed at the end of March, so those funds are coming in this month.
2. Mr. Snavely also inquired about the same line item on the sewer revenue report. Mrs. Mitchell will look into it.
3. The Authority was in approval of the organization of the capital items list. They thanked Mrs. Mitchell for her work

**V. Visitors:** Dan Burton and Scott Kramer of the Royal Bank of Canada Capital Markets Division.

- a. RBC Finance Options Presentation: Mr. Burton stated that RBC has the resources and expertise of a major financial institution with the convenience of a local organization. He briefly reviewed the contents of the manual which was distributed at the meeting. (See attached.)
  1. In Section V pages 30 to 33, the process (scope of service) is outlined. Mr. Kramer added that they have done work with many local organizations including the Authority's Solicitor Kathy Gray. They have had many repeat customers which they feel speaks to their abilities.
  2. Mr. Kramer began with reviewing page 37 which indicates the Authority's outstanding debt. He reviewed the 2001 Series Revenue Bond and discussed a refinance on the rate which the Authority would be eligible to do in 2008.
  3. Mr. Burton clarified that the debt of \$18,290,268 is for total debt including interest payments. Mr. Kramer reviewed several proposed debt scenarios which were created under the pretense that the Authority would need to borrow \$8 million at approximately 4.7% for the sewer plant upgrade. The plan works the same as a mortgage, the longer the life of the loan, the more you pay in total.
  4. RBC would work with the Authority's bond council, engineer, solicitor and in-house financial team to put together proposals to present to the Authority.
  5. Mr. Kramer & Mr. Burton clarified for Mr. Stoner that Barley Snyder could be used without a conflict of interest, but it would be a different attorney.
  6. Mr. Kramer and Mr. Burton also clarified for Dr. Jury that they operate on a negotiated fee. When they present their proposal they also present the last market fees for the same types of deals for the Authority to review. This assures the Authority that they are getting a fair deal. He and Mr. Kramer reviewed how they are paid for each bond.
  7. RBC worked with Penn Township for \$8 million in 2003. More recently they finished a \$1 million project for another local authority.
  8. Mr. Burton and Mr. Kramer were thanked and dismissed themselves at 8:30pm.
  9. Mr. Pollart stated that RBP seemed more enthusiastic about working for the Authority than Concord did. Mrs. Mitchell also indicated that RBC was recommended by Solicitor Gray. Mr. Schaidle feels very comfortable working for a company that is willing to work with the Authority with an open book on their revenue received from similar projects. Mr. Stoner and Mrs. Mitchell concurred that this company is very different from

- Concord. Dr. Jury has worked with RBC in the past and was satisfied with their work. Mrs. Mitchell and Mr. Snavely concurred that it all boils down to customer service. She added that Concord left her to do most of the research while RPC did most of it for her.
10. Discussion was had on bringing in Concord to make a proposal presentation and researching other competitors.
  11. Mrs. Horst expressed an interest in having staff gather feedback on other companies who have with worked with RPC such as Penn Township. Mrs. Mitchell will compile that information and forward it to the Authority.

## VI. Reports

- a. Engineer's Report: Mr. Pollart indicated that the water allocation permit has been reviewed by DEP. This permit will not be renewed, but the Authority may use the well on an emergency basis. DEP's ruling is based on new regulations which designate the well as a surface water source rather than a well.
  1. Future System Improvements: There is one problem area remaining. Rettew is working with Mr. Dragas to fix it and complete the model.
    - i. Penn Township Water Services: Brief discussion was had on interconnecting with and selling water to Penn Twp.
  2. New Water Source: Mr. Pollart indicated testing is scheduled for late May/early June.
  3. Chesapeake Bay Strategy: The allowable parts per liter were reduced to 6. There will not be a lot of PennVEST grants available and DEP is still looking at 2010 compliance.
    - i. Mr. Schaidle thanked Mr. Pollart for the timeline. (See Administrator's Report.)
- b. Operator's Report: Mr. Dragas reviewed the notice of violation from DEP. This is the incident that was reported earlier in the year which was caused by the heavy rains coupled with the cooler weather, which hamper the ability of the bugs to reduce the amount of solids. To assist with the issue, the I&I program is moving forward. The repair of Graham Alley will also lower the amount of solids discharged.
  1. Amplifier: Per DEP, the amplifier needs to be wired to the effluent sampler. Mr. Dragas has already ordered the parts. Mr. Pollart stated that the response issued to DEP will need to include a timeline for compliance. Mr. Stoner spoke with DEP's compliance specialist, Robert Kochonik, who visited the plant in March. Mr. Kochonik didn't find anything else that could be improved upon to compensate for heavy rain flow instances.
  2. I&I: Mr. Dragas has prioritized the quadrants to be inspected. The project is reviewed in the newsletter and scheduled to begin in July. Discussion was had on how flows work and what the Authority can do to avoid citations in the future. (The notification recently received is not a fine, but it does put the plant on a "watch list".)
    - i. Discussion was had on how to tell residents to correct any illegal connections. It was agreed upon to include the notice of violation as an example of the repercussions of these connections and how it trickles down to the residents' bills.
    - ii. Discussion was also had on how certain residents may need to redirect water due to the proximity of their property lines in relation to their neighbors'.
  3. PS2 Pump: The pump has been sent out for servicing.
  4. Water Tank: The cleanout and inspection are scheduled to take place soon. Both tanks will cost \$7,300. The company scheduled to inspect the property offers a yearly maintenance program which will be provided in proposal form after the inspection. Mrs. Horst indicated that participating would be a good pro-active plan.
  5. Ferric Chloride Mixer: One needs to be replaced and parts are no longer made for it.

6. WWTP Solids: A lengthy discussion was had on various steps that could be taken to reduce solid flows. A large part of the problem is that the tanks are above ground and in metal tanks, making the contents very susceptible to air temperature, which decreases the weight of the bugs and increases the flows of solids.
- c. Mrs. Mitchell excused herself at 10:00pm.
- d. Administrator's Report:
  1. Rate Study Proposal: Mr. Pollart reviewed the proposal. (See attached.)
    - i. Chesapeake Bay Strategy in Relation to Rates: Without the assistance of the state or Federal Government the Authority would be forced to increase rates by an exorbitant amount. The Authority was in agreement to approach the issue from the angle that they will not be getting any assistance. This will prepare them if grants cannot be obtained. They were also adamant that grants be sought to offset costs and that legislators be made fully aware of the dire position that the Authority and their constituents are in.
    - ii. Mr. Snively stated that he is less concerned about the engineering fees and more concerned with the construction costs. The Authority does not want to raise rates and will wait until it is the only option available to comply with DEP.

## VII. Action Items

- a. Newsletter Update: Mr. Stoner reported that articles will be presented next week for review.
  - b. Design Authorization for WWTP: (See implementation schedule attached to the administrator's report.) Discussion was had on the timing of obtaining funds and the timing of design in relation to land development.
    1. The total cost would be dispersed through about a one year period. The breaks in payments will allow the Authority to search for alternative funding sources other than rate increases. The initial \$75K will come out of the Authority reserve fund.
    2. Oxidation Ditch: Dr. Jury indicated that the oxidation ditch option was selected on Rettew's recommendation. Mr. Dragas stated that the bugs in that system are stronger.
- Ø A Motion was moved by Mrs. Horst to move forward with the engineering design. The Motion was seconded by Mr. Schaidle, and passed unanimously.

VIII. **New Business**: No items new were presented.

## IX. Old Business

- a. WTP Fencing: Mr. Eyeman was awarded the contract and installation will begin in May.

## X. Adjournment

- Ø A Motion was moved by Mr. Schaidle to adjourn at 10:38pm. The Motion was seconded by Mrs. Horst, and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary/Utility Billing Administrator

## MANHEIM BOROUGH AUTHORITY MINUTES

May 18, 2006 as amended at the June 15, 2006 meeting

- I. **Roll Call:** Douglas Snavelly – Chair; Rick Schaidle – Vice Chair; Kevin Brown – Secretary; Barbara Horst – Treasurer; Rick Carpenter – Assistant Secretary/Treasurer; Dr. Lewis Jury, and Marc Phillips.

**Staff:** Candace Hoover – Recording Secretary/Utility Billing Administrator; Sandra Mitchell – Fiscal Assistant, Clayton Bubeck – Rettew Engineer

**Operations Staff:** Dennis Dragas – Facilities Manager, Miller Environmental Incorporated (MEI)

**Absent:** Robert D. Stoner – Borough Manager/Authority Administrator

- II. **Call to Order with Pledge of Allegiance:** Chairman Snavelly convened the meeting at 7:05pm with the Pledge of Allegiance.

### III. Approval of Minutes – April 20, 2006:

- a. Dr. Jury and Mrs. Horst noted that Section VI, subsection a-1-i should read, “Brief discussion was had on interconnecting water services and selling water to Penn Township.”
- b. Dr. Jury indicated that in Section VI, subsection b-2, sentence three should read, “Discussion was had on how flows work and what the Authority can do to avoid citations in the future.”
- c. Dr. Jury also indicated that Section VI, subsection b-2-i, the first sentence should read, “Discussion was had on how to tell residents to correct any illegal connections.”
- d. Dr. Jury requested that Section VI, subsection b-6, sentence one read as, “A lengthy discussion was had on various steps that could be taken to reduce solid flows.”

Ø A Motion was moved by Mr. Carpenter to approve the Minutes as amended. The Motion was seconded by Mr. Phillips, and passed unanimously.

### IV. Treasurer’s Report:

- a. Authorization to Pay Vouchers: Mrs. Horst commented that Plasterer Equipment Company has two line items; a backhoe repair line and a two-year warranty line. Historically, these items aren’t separated between the Borough and the Authority on the vouchers lists if they come in on the same billing statement. What happens then is that the Authority is approving a portion of a bill that belongs to the Borough and visa versa. Even though the checks come from the same accounts, it would be better for each entity to approve their own portion without the inclusion of the other’s entity’s portion.

Ø A Motion was moved by Mr. Phillips to approve payment of the invoices in the amount of \$44,392.88. The Motion was seconded by Mr. Carpenter, and passed unanimously.

- b. Financial Report: Mrs. Horst reported that the water budget has never had a line item for utilities. Mrs. Mitchell indicated that Mr. Stoner had her add the line for the Cherry Street Booster Station, but they did not alter the budget totals. The breakout was added because

the Authority never specifically budgeted for that item. Mrs. Horst stated that any changes to the budget need to be approved by the Authority, even if it is for an oversight.

V. **Visitors:** Chris Gibbons of Concord Public Finance, Laura Templeton of Rettew Associates and John Hewlett of Access Financial Markets and Mr. George Smith, President of MEI.

- a. Presentation: Concord Public Finance – Chris Gibbons: Mr. Gibbons started his presentation by explaining that acquiring a bond is very similar to obtaining a mortgage. Concord's position would be to present all options available to the Authority for funding and advise as to which options would be the best.
  - i) The list of clients listed on page four of their handout (see attached) is a list of both current and past clients.
  - ii) Mr. Gibbons reviewed some of the differences and similarities of a financial advisor such as Concord and an underwriter such as RBC.
  - iii) Concord looks at bank loans as well as bond issuances. Bank loans with a fixed beginning term and a capped variable interest rate on the remaining term have proven to be less costly as a whole than a fixed rate bond or a fixed rate loan on occasion.
  - iv) Concord was the financial advisor for the last bond issued to the Authority.
  - v) The bonds currently in the Authority's possession may be refinanced in 2008 which Concord built into the Authority's financial options. Mr. Gibbons clarified that the current bonds would be taken into consideration during the development process of setting up this new financing strategy. For more information see page 9 of their handout.
  - vi) Mr. Gibbons reviewed Section Two of the handout which covered the Authority's debt.
  - vii) Mr. Gibbons explained that if the Authority were to seek a loan other than Pennvest, they should request a letter of "no prejudice." This way Pennvest does not disqualify the Authority for the ability to obtain other loans. He also explained that the Authority could submit for Pennvest loans in order to reimburse project costs.
  - viii) A wraparound debt service is like having an interest only loan. The incremental cost is less, but the principal remains the same. The existing debt service line on page three of the handout should extend to 2025.
  - ix) Concord would be paid by a flat negotiated rate which is incorporated into the cost of issuance.
  - x) A brief discussion was had on obtaining a bank loan as opposed to a bond.
- b. Presentation: Access Financial Markets – John Hewlett: Mr. Hewlett provided a brief review of Access' history. They are an independent capital markets firm located in Manheim Township.
  - i. Access was the financial advisor to Manheim Central School District for locking in their interest swap agreement. They did not select the underwriter, but worked with them on the transaction.
  - ii. As the advisor, Access would structure the bonds, market check them and act as an advisor to the deals being provided by the underwriter. Their function is to assure the fairness of the underwriter.
  - iii. Mr. Hewlett reviewed the benefits of taking a synthetic interest fixed rate debt. Access would set it up to act like a variable rate bond.
  - iv. Mr. Hewlett also explained how the Authority could use an interest rate swap in order to hedge themselves against any interest increases on the market.

- v. Lancaster County has used Access for assistance with their bonds over the last three years. Mr. Hewlett reviewed several specific transactions for the Authority.
- c. Presentations Review:
  - i. Mr. Snavely requested that the Authority review the three companies and be prepared to have a discussion at the next meeting.
  - ii. Mrs. Mitchell confirmed that RBC, Concord, and Access are the only three local companies working with local municipalities.
  - iii. The Authority concurred that when they make a decision, they will include their rationale as part of their presentation to Borough Council.
  - iv. It was agreed that any inquiries from the Authority on the bond issue shall be e-mailed to Mrs. Mitchell to compile and send to the three companies. This way the Authority will be provided like answers in writing.
  - v. A discussion was had on developing a stats matrix in order to equally compare the three companies and thus make an educated decision. Dr. Jury requested that reference checks be made with a check list of questions to assure all of the data is comparative.
  - vi. Mrs. Mitchell reviewed the positive responses she had acquired from the references of RBC and Concord Financial. Working with the groups individually she discovered that; RBC gathered their own information, Concord had her making a lot of calls and do most of the legwork for her, and Access did not provide all of the information in their presentation that was requested.

## **VI. Reports:**

- a. Laura Templeton – Rettew – Newsletter Update & Direction: Mrs. Templeton reviewed the current status of the newsletter, including the currently completed articles.
  - i. The history of the Authority will be included pending available space.
  - ii. Additional articles will be provided to the staff this week.
  - iii. Dr. Jury requested that the articles state clearly and boldly the Authority’s position in/on the Chesapeake Bay Strategy in relation to pending costs.
  - iv. Mrs. Templeton reviewed the masthead drafts and compiled the Authority’s comments on them. She will provide updated versions.
- b. Engineer’s Report – Updates & Inquiries:
  - i. Rettew will contact a bond counsel that they have worked with and make a few inquiries on the Authority’s behalf.
  - ii. Water Interconnect: Monday the NWLCA were at a presentation which covered a possible agreement. This will present to their board for approval. Upon approval they will make a proposal to the Authority. Dr. Jury and Mr. Brown agreed that economic terms should be included in the agreement.
  - iii. The interconnect would feed Penn Township water. The Authority would have a check valve to prevent backflow and the system would have a meter in order to pull water back in emergency situations such as fire fighting.
  - iv. New Water Source: Mr. Dragas reported that the well that was previously abandoned for Nitrates was TV’d today.
- c. Operator’s Report – Updates & Inquiries: Mr. Dragas reported difficulty maintaining ferric levels with the current ferric chloride mixer. Because the Authority would run the risk of citation or fine with the current levels of phosphorus and the poor quality of the ferric chloride mixer, the Authority agreed to have Mr. Dragas hold his price search in order to replace the equipment. Mr. Smith added that the prices will not vary drastically.

- Ø A Motion was moved by Dr. Jury to approve the emergency repair purchase of a ferric chloride mixer. The Motion was seconded by Mr. Carpenter, and passed unanimously.
- i. Mr. Dragas gave a report on some of the camera work results. Some areas are in disrepair and others are running in the wrong direction. Other areas have a lot of roots broken into the lines. Market Square's, Adele Avenue's, and Main Street's lines were discussed. Mr. Dragas only has a preliminary report, but he will review the tapes and work with the engineers to determine which items are point-source and which will require a full replacement.
- ii. Mr. Snavelly inquired about CDBG. Mr. Bubeck was not sure that the timing for obtaining grants would work with getting the lines in before PA DOT's timeline begins on the Main Street project.
- iii. The Authority would like to include a few sentences in their newsletter indicating to the public that the Authority has identified some problem areas and is working to repair them as part of the I&I program. The blurb should direct the reader to the next issue for a continued update.
- iv. Mr. Dragas shared that three properties reported commode issues with the camera work that was done this week. The first lost water in their commodes. The second had water back up from their three bathrooms onto their floors. The last had water splash onto their toilet seat lids. Mr. Dragas reviewed the process used for TV'ing the lines. He, Mr. Stoner, and Mr. Pollart all gave the same response in relation to vents and traps preventing such back ups from occurring during such work.
- v. Mr. Bubeck will obtain the specifics of PA DOT's intended Main Street project.
- d. Administrator's Report – Updates & Inquiries: Mr. Dragas reported that fencing for the WTP and Cherry Street Booster Station should be completed by the end of next week.

## VII. Action Items:

- a. Written Request Ralph Kline: The Authority agreed that the action taken by staff was sufficient. (See attached.)
- b. 2007 CDBG – Project Ideas: The Authority was in agreement to submit Main Street to CDBG.

Ø A Motion was moved by Dr. Jury to apply for \$250K of CDBG funds for the Main Street project if it meets the necessary CDBG requirements. The Motion was seconded by Mr. Brown, and passed unanimously.

- c. 2006 Urban Enhancement Fund: No items were submitted at this time. Suggestions are to be forwarded to Mrs. Hoover.

## VIII. New Business:

- a. Next Meeting Topic: Name Change Discussion

## IX. Old Business

- a. I&I: Dr. Jury would like for the staff to speak with Lititz Borough about their I&I program.

**X. Adjournment:**

Ø A Motion was moved by Mr. Brown to adjourn at 10:55pm. The Motion was seconded by Mr. Schaidle, and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary  
Utility Billing Administrator



## MANHEIM BOROUGH AUTHORITY MINUTES

June 15, 2006 (edits as provided by Dr. Jury at the July 20<sup>th</sup> meeting are noted)

- I. **Roll Call:** Douglas Snavelly – Chair; Rick Schaidle – Vice Chair; Kevin Brown – Secretary; Barbara Horst – Treasurer; Rick Carpenter – Assistant Secretary/Treasurer; Dr. Lewis Jury, and Marc Phillips.

**Staff:** Robert D. Stoner – Borough Manager/Authority Administrator; Candace Hoover – Recording Secretary/Utility Billing Administrator; Clayton Bubeck – Rettew Engineer

**Operations Staff:** Dennis Dragas – Facilities Manager, Miller Environmental Incorporated

- II. **Call to Order with Pledge of Allegiance:** Chairman Snavelly convened the meeting at 7:00pm with the Pledge of Allegiance.

### III. Approval of Minutes – May 18th, 2006:

- a. Mr. Snavelly noted that in Section V, subsection c-vi., “refeces” should be spelled “references”.
  1. He also indicated that the last sentence should read, “Working with the groups individually she discovered that RBC gathered their own information, Concord had her making a lot of calls and doing most of the legwork herself, and Access did not provide all of the information in their presentation that was requested.”
- b. Mr. Snavelly also indicated that Section VI, subsection c-ii should read, “Mr. Snavelly inquired about CDBG. Mr. Bubeck was not sure that the timing for obtaining grants would work with getting the mains in before PA DOT’s timeline begins on the Main Street project.”
- c. The Authority was in agreement to delete VII, subsection b-i.
- d. Mr. Snavelly also noted that the Motion following Section VII, subsection b, sentence one, should read, “A Motion was moved by Dr. Jury to apply for \$250K of CDBG funds for the Main Street project if it meets the necessary CDBG requirements.”

Ø A Motion was moved by Mr. Brown, to approve the Minutes as amended. The Motion was seconded by Mr. Carpenter, and passed unanimously.

### IV. Treasurer’s Report

- a. Sewer Fund: Mr. Snavelly suggested that a subtotal line be entered before the 08.392.000 line.
- b. Investment Report: Mr. Stoner noted that there would be a few changes next month.
- c. Miscellaneous: Mr. Stoner suggested that Elwyn Terrace be considered for 2007/2008 CDBG funds.
- d. Authorization to Pay Vouchers:

Ø A Motion was moved by Mr. Schaidle to approve payment of the current vouchers in the amount of \$35,215.64. The Motion was seconded by Mrs. Horst, and passed unanimously.

- V. **Visitors:** None were present.

### VI. Reports

- a. Engineer's Report – Updates & Inquiries: (See attached.) Discussion was had on the current progress of The Oaks Subdivision.
    1. System Model: Any developers that wish to proceed with a project which will impact the model will be charged the fees required to update it. Authority system improvements will be paid for within the Authority's engineering contracts and fees. Discussion was had the impact The Oaks Subdivision and the proposed Main Street improvements may have on the model.
      - i. A copy will be maintained by the Staff and the Engineer.
    2. Sun Hill Water Tower: Dr. Jury inquired about the supervision of the tank installation. Mr. Bubeck and Mr. Stoner reported that Rettew Engineer, Chuck Good has been overseeing the Authority's asset. They will see to it that the Authority receives adequate verification of Mr. Good's activities.
  - b. Operator's Report – Updates & Inquiries: Mr. Dragas reported that extra testing was done to monitor flows. An additional polymer is being tested in order to reduce the amount of ferric. This should decrease the amount of solids in the system.
    1. The A pump went down last night (June 14, 2006). A ground was tripped on the heater. Garden Spot Electric discovered that the contact in the ground had gone bad. That portion of the heater will need to be replaced. New contacts were ordered for all three pumps and an additional set was purchased to have on hand.
    2. The emergency generator pot quotes have been received. A new one would cost \$22,750.00. A rebuilt unit would cost about \$10K, provided the rebuild takes two months. (There is no guarantee on the length of time for the repair, and the loaner is \$1,500.00 a month.)
    3. Mr. Dragas recommended the repair of the 1,600 amp emergency generator.
- Ø A Motion was moved by Dr. Jury to authorize the repair of the 1,600 amp emergency generator. The Motion was seconded by Mr. Carpenter, and passed unanimously.
4. Fencing: The Cherry Street Booster Station and WTP fences are up. Dr. Jury expressed concern about several areas where there are gaps along the ground. Mr. Dragas reported that these areas are going to be filled with stone and sprayed (as a preventative measure against weeds).
  5. Kohl Brothers: N. Charlotte St. Pump Station: Mr. Dragas reported that the mercury switch operated pumps need upgrading. He feels they are critical to maintain pressure on that end of town.
- Ø A Motion was moved by Dr. Jury to authorize the replacement of the mercury switch controls. The Motion was seconded by Mr. Schaidle, and passed unanimously.
6. Miscellaneous: PA Rural Water Company will be in to check for system leaks as a part of the services they offer.
  7. Flows: On the chart provided, the May 2006 monthly total should be 25.967. Mr. Dragas will make the necessary corrections.
  8. CDBG 2007 (Main Street): Mr. Dragas cued and marked the tapes for transfer to DVD for the presentation.

- c. Administrator's Report – Updates & Inquiries: (See attached.) Discussion was had on meeting with Solicitor Gray in relation to bond counsels. The Authority was in agreement to meet at 5:30pm on July 13<sup>th</sup>.
1. I&I: Discussion was had on the program. Mr. Stoner will speak with Lititz Borough on their conduction of an I&I program.
  2. CDBG: Mr. Stoner reported that the Main Street project will be the primary project. The project may take four or more months to complete. Mr. Schaidle suggested that since the water mains and laterals are being replaced, the concrete under the streets be removed and replaced with stone. PA DOT could then do their paving without having to mill down to the concrete. The road would last longer and the painted lines are already in need of replacement.
  3. Marks Contracting: Release of the retained funds was requested for final work being completed.

Ø A Motion was moved by Mr. Schaidle to approve the release of funds to Marks Contracting in the amount of \$500.00. The Motion was seconded by Mr. Brown, and passed unanimously.

## VII. **Action Items:**

### a. Reimbursement Resolution:

Ø A Motion was moved to approve the resolution with the next appropriate number to be assigned by Staff.

## VIII. **Old Business**

- a. Newsletter: Dr. Jury stated that he strongly feels that the articles on the Susquehanna River Basin and I&I do not state strongly enough the straits the Authority and its constituents are in. The articles also lack specific examples. Dr. Jury's comments were submitted in writing and will be forwarded to Laura Templeton of Rettew Associates, the newsletter's project manager. Others expressed similar views.
- b. Rates: A bell curve of meter sizes and use has been drafted.

## IX. **New Business:**

- a. Executive Session: At 9:25pm Mrs. Horst called an executive session to discuss a personnel matter. The Authority reconvened at 9:50pm for the purposes of adjourning.

## X. **Adjournment**

Ø A Motion was moved by Mr. Brown to adjourn at 9:51pm. The Motion was seconded by Mr. Schaidle, and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary/ Utility Billing Administrator

**MANHEIM BOROUGH AUTHORITY AGENDA**  
**Special Meeting**  
July 13, 2006

- I. Roll Call: Douglas Snavely – Chair; Kevin Brown – Secretary; Rick Carpenter – Assist. Secretary/Treasurer; Dr. Lewis Jury; Marc Phillips

Staff: Robert D. Stoner – Borough Manager/Authority Administrator; Candace L. Hoover – Recording Secretary/Utility Billing Administrator

Absent: Rick Schaidle – Vice Chair; Barbara Horst – Treasurer

- II. Call to Order with Pledge of Allegiance: Chairman Snavely convened the meeting with the Pledge of Allegiance at 5:43pm.

- III. Presentation & Discussion: Bond Counsel’s Services – Kathleen A. Gray, Esquire:

1. Solicitor Gray indicated that there is currently a bond staff of three at Barley Snyder of which she heads. She reviewed the purpose of a bond counsel.
2. The Authority indenture combines water and sewer together. All of the revenues from both water and sewer are pledged to all bonds regardless of whether it is a water revenue bond or sewer revenue bond. Usually water revenue is for water bonds and sewer revenue for sewer bonds. There is no risk factor for having it set either way.
3. Bonds can be advance refunded once. As Solicitor Gray understood the Authority’s already have been.
4. If Barley were chosen as Bond Counsel they would charge regular rates for their services or they would negotiate an estimated fee with the Authority.
5. Dr Jury stated that he is having difficulty deciding between the several entities competing for our business. He inquired about a checklist of items to look for in choosing a bond counsel.
  - i. Solicitor Gray stated that there are two ways to go about a bond issue. One is to hire a financial advisor. They will look at your debt and structure it. They also create a marketing document and bid out your needs. A study she read a few years back on comparison of prices and negotiation of prices illustrated that the cost differential between a financial advisor as opposed to an underwriter is really miniscule.
  - ii. With a huge bond issue, auctioning the bond may be slightly better, but only with higher amounts of money. This option, however, does not have any flexibility. Once the bond is bid changes cannot be made.
  - iii. With an underwriter new charges wouldn’t be assessed if any changes were made to the bond. Solicitor Gray noted that bond issues for less than \$10 million really need flexibility.
6. Solicitor Gray recommended a gentleman she worked with named Gordon and RBC though she felt there would not be a problem with Concord.

7. Mr. Stoner indicated that whomever they chose, if it was not Barley Snyder, the documents involved would still need to be reviewed by the Solicitor and thus may cost more in legal fees.
8. Solicitor Gray indicated that it may be important to choose an underwriter as opposed to a financial advisor, because they could stop bidding if the market is not good. A financial advisor cannot do that.
9. Solicitor Gray explained that because the Authority is guaranteed by the Borough and they serve residents outside of the Borough there are intricate steps that must be taken within certain time frames. The members present agreed to hire Barley Snyder, with Kathleen A. Gray heading the charge, as their bond counsel and will bring it up at the regularly scheduled meeting, July 20, 2006, to make a formal Motion.

IV. New Business:

1. Distribution of 2005 Audit Report: The audit report was clean.
2. Distribution of PMAA: Chesapeake Bay Strategy Packet: Authority Engineer Pollart will have a draft letter for the Authority to review in relation to the handout. (See attached.)
  - i. Discussion was had about selling both operations to LASA. The cost impact to the user may be beneficial. Solicitor Gray indicated that at this point in time, the larger LASA gets the better rates they have been able to provide for their customers.

V. Old Business:

- i. CDBG: The project was split between North Main Street and South Main Street. TIP is also being looked at, because the project does not include street restoration, storm water, and curbs and sidewalks. Staff will also be working with PA DOT.

VI. Adjournment:

✓ A Motion was moved by Mr. Carpenter to adjourn at 6:45pm. The Motion was seconded by Mr. Brown and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary

# MANHEIM BOROUGH AUTHORITY MINUTES

July 20, 2006

- I. **Roll Call:** Chair Doug Snavelly; Vice Chair Rick Schaidle; Treasurer Barbara Horst; Assistant Secretary/Treasurer Rick Carpenter; and Dr. Lew Jury.

**Staff:** Borough Manager/Authority Administrator Robert D. Stoner; Fiscal Assistant Sandra Mitchell; Recording Secretary/Utility Billing Administrator Candace L. Hoover; Rettew Engineer Yves Pollart

**Operations Staff:** Facility Manager Dennis Dragas

**Absent:** Marc Phillips

- II. **Call to Order:** Chairman Snavelly convened the meeting with the Pledge of Allegiance at 7:00pm

### III. Review & Approval of Minutes:

- a. June 15, 2006: Several minor typos were indicated and submitted by Dr. Jury for correction.
- b. July 13, 2006: No items were presented.

Ø A Motion was moved by Mr. Carpenter to approve the Minutes of June 15, 2006 as amended and the Minutes of July 13, 2006 as submitted. The Motion was seconded by Mrs. Horst and passed unanimously.

### IV. Treasurer's Report:

- a. Authorization to pay Vouchers: Dr. Jury inquired as to whether or not the house could be re-assessed. Mr. Stoner stated that it could not, but its status can be re-filed with the county.
  - i. Ms. Schaidle inquired about the \$10K charge for the fence. Mr. Stoner reported that the two change orders during installation account for the additional charges.

Ø A Motion was moved by Dr. Jury to pay the invoices in the amount of \$49,801.77. The Motion was seconded by Mr. Carpenter, and passed unanimously.

- ii. Water Revenue: Mrs. Mitchell indicated that the meter account (06.448.230) is over budget due to a MAEDC purchase, however, the Authority will be reimbursed.
  - iii. Sewer Revenue: Mr. Koontz explained 08.392.000 is actually a fund that is not cash. These funds were pulled from the bank and are only there for reporting purposes. They will be wiped.
  - iv. Sewer Revenue Reporting: Mr. Stoner, Mrs. Horst and Mrs. Mitchell clarified that the accounting system will not allow for the additional subtotal line that was requested by several of the Authority's members.
- b. Investments Report: (See attached.) Mr. Snavelly inquired about the drastic change in totals between May and June. Mrs. Mitchell explained that the amount paid to the Borough is usually every other month. This month illustrated a transfer of several entries at once.

- V. **Visitors:** Jim Koontz of Brown, Schultz, Sheridan & Fritz, Laura Templeton of Rettew, Theresa Blauch of Rettew and Mr. & Mrs. Jesse & Kim Hill of 155 South Main Street.
- a. Jim Koontz - 2005 Audit Report: (See attached.) Mr. Koontz stated that the Authority received a clean report. The Auditors were very pleased with the Authority's books.
    - i. Mr. Koontz noted that a footnote was added on page 21 for the escrow account that exists, but does not belong to the Authority. It was noted because it could become the Authority's if certain events occurred.
    - ii. Report Style: Mrs. Horst noted that the annual report is different from what is normally show in the financials, because the monthly reports only monitor cash in and cash out. The year end financial statements are calculated on an accrual basis and show things such depreciation. The year end report also illustrates revenue and expenses in the year they are due rather than the year they are earned or paid.
    - iii. Total Debt: Dr. Jury inquired about the actual debt owed by the Authority. (See page 16 of the Audit Report). Mr. Koontz verified that the total debt stands at approximately \$12 million. Approximately \$18 million including interest.
    - iv. Bond Review: Mr. Stoner clarified for Mr. Schaidle that the first call date for the bonds is 2008. The current bonds will be reviewed as part of the process of the Authority looking at new bonds or loans for the new wastewater treatment plant.
  - b. Capital Reserve Fund: Mrs. Horst stated that she and Mrs. Mitchell had discussed with Mr. Koontz about setting aside funds to a reserve fund account. Mrs. Horst's concern was using anticipated revenues to budget capital improvement projects.
    - i. Mrs. Horst would like the Authority to consider approving a process where funds are designated to a reserve capital account once the year end Audit is accepted.
    - ii. Also she would like to take from previously carried over surplus and move it to a capital reserve fund. This action would move capital items out of operational costs.
    - iii. Dr. Jury noted his support indicating the pending debt that will be incurred with the new plant requirements for the Chesapeake Bay Strategy.
    - iv. Because the funds will not be party of a larger sweep account there will be a minor loss of interest earnings. Discussion was had on various investment options that may minimize or negate the loss of any interest.
    - v. Mrs. Horst recommends putting away \$100K this year and \$400K next year.
    - vi. Dr. Jury noted that separating the funds in this fashion would make it easier to follow as an investment. It would also provide the Authority with collateral while illustrating good stewardship.
    - vii. Investment option limitations were discussed. (See page 16 of the Audit Report.) The Authority would like for staff to put together a compilation of options for them as far as whether funds should be designated and placed into one account or staggered accounts.
    - viii. The Authority requested that this item be tabled for next month's meeting under the Treasurer's Report. Part of the discussion will be rules for extracting the funds.
- Ø A Motion was moved by Mr. Schaidle to accept the 2005 Audit report as presented. The Motion was seconded by Mr. Carpenter, and passed unanimously.
- c. Laura Templeton – Authority Newsletter: Mrs. Templeton would like to have the newsletters arrive at customers' homes by August 7, 2006.

- i. Mrs. Templeton indicated that a lot of visuals were left out of the draft in order to cut costs on graphic design. Mr. Stoner stated that the purpose of this draft was for article wording. A final draft will be issued to the Authority before publication.
- ii. Dr. Jury submitted written comments to Mrs. Templeton. The Authority should have their submissions in by Tuesday, July 25, 2006. Staff will send an e-mail reminder tomorrow, July 21, 2006 and Monday July 24, 2006 regarding the deadline.

## VI. Reports:

- a. Engineer's Report: (See attached.)
  - i. Section 6A/ Sun Hill Water Tank: At the time the report was written, there was no exact figure for the release amount. The actual total is: \$307,904.00.
    - Ø A Motion was moved by Dr. Jury to approve the reduction of letter of credit in the amount of \$307,940.00. The Motion was seconded by Mrs. Horst, and passed unanimously.
  - ii. Susquehanna River Basin Commission (SRBC) Permit: Ms. Blauch reported on the study that was done to locate new possible water sources. Discussions are being scheduled with the SRBC. Rettew is experiencing difficulty with them and is expecting increasing difficulty because the potential wells are located within a stressed area.
    - 1. Per Rettew's recommendation, discussion was had on possible areas that could be drilled to test for wells outside of the stressed area but near enough to the processing plants to keep installation costs down.
    - 2. A full well installation would cost \$250K.
    - 3. Mr. Snavelly stated that he would prefer to drill a well on the Authority's property.
    - 4. Rettew would like to drill two test wells. The estimated cost would be \$10K.
    - 5. The Authority feels that a new well must be sought after for the best interest of the community. They requested that the first drill test be done on Authority or Borough property. The pursuit of the previous well study is to be temporarily suspended.
    - 6. Mr. Pollart that a previous employee of SRBC now works for Rettew. The new employee's knowledge will be a benefit to both Rettew and the Authority.
  - iii. Graham Alley: Mr. Pollart reported that five contractors picked up bid specifications and only three submitted bids. The low bidder is Wexcon, Inc. at \$285,400.00. The alternate of East Gramby Street had bids come in just as high as they did last fall.
    - 1. Discussion was had on piping costs. Mr. Schaidle stated that his employer estimates an additional 1% for costs each month based on the last bid project.
    - 2. Mr. Stoner added that the current maintenance schedule for East Gramby Street for the two customers on that line is currently sufficient. Graham Alley cannot be maintained with any sort of regular maintenance. Each cleaning done there pulls out pieces of pipe. The Graham Alley section in need of repair is fed by Gramby Street, Pitt Street, Clay Street and others. Without a map for reference the Authority is aware of 50 to 100 homes on the lines.
    - 3. The budgeted amount for Graham Alley was \$80K. Mr. Snavelly noted that the overage really emphasized the need for a capital improvement fund.
    - 4. Mr. Pollart explained that the project is set up to have temporary paving laid for the fall and winter with a final paving to occur in the spring.



- Ø A Motion was moved by Mr. Schaidle to accept the low bid from Wexcon, Inc. for Graham Alley in the amount of \$285,400.00 and to reject all bids for East Gramby Street. The Motion was seconded by Dr. Jury and passed unanimously.
5. The funds for this project will come out of the \$1.2 million in the water/sewer general fund.
  6. The Authority agreed to include this project in the newsletter. The article should include how the project came about, what the original bids were, what the current prices are and when construction will begin.
  7. The Authority instructed Mr. Stoner, in his capacity as administrator, to contact Governor Rendell, Senator Wenger and Representative Creighton in writing to explain the Graham Alley project. The letter is to detail the project and how the pending costs of the Chesapeake Bay Strategy, without funding assistance, negatively impacts the Authority's ability to better serve its constituents with projects such as these. The Authority agreed that each letter should be separately addressed without "copy to" fields. The letter should also be sent to any challengers of the listed positions for consideration during the formulation of their platforms.
    - Mr. Pollart added that the letter should also indicate that Pennvest does not have any more grant money. Any funds distributed will be in the form of a loan.

**b. Operations Report**

- i. Tank Inspection: Tank one was drained. Water service was lost for about an hour when a valve was discovered to not shut completely. A line stop was installed and the valve was repaired. The tank is in good condition though the sealant is of some concern. A few other areas may need attention, but Mr. Dragas will know more when the report is submitted.
  1. Tank two is to be inspected on August 2, 2006.
- ii. Storms: The major storms caused a few problems. During one storm a tree fell onto the new fence. The damage knocked out the phone line which is responsible for telling the plant to make water and operating the emergency dialer. There were no problems caused, because it was only out for one evening.
- iii. Holding Tanks: Mr. Dragas explained how MEI increased the flow for water release. During that process, they removed the sand that was used in the old treatment process.
- iv. WWTP Trickler: Mr. Dragas explained how the storm washed out the trickler and how it affects the system. Tests are currently being run to deal with the other after-effects of the storm. DEP does take storms and other external issues into consideration before placing plants on watch lists, fining or citing plants.
- v. Newsletter: Dr. Jury recommended that flow figures be worked into the I&I article in the form of a chart.
- vi. Flows Chart: There is a typo in the chart. Mr. Dragas will resubmit the June chart for the file.
  1. The effluent flow meter was reading higher than the actual output. The water production should therefore be lower than is reported. That would create a larger difference in the ratio of water being treated to wastewater being treated.
  2. Mr. Dragas reminded the Authority that they service water customers outside of town that are not on the wastewater system, thereby more greatly increasing the gap between water production to wastewater production.

**c. Administrator's Report:**

- i. LASA: Mr. Stoner spoke with Mr. Kyle of the Lancaster Area Sewer Authority (LASA). LASA will discuss any options they may be able to provide the Authority at their next meeting.
- ii. Greentree: Discussion was had on the development of the Greentree Business Center. There will be billing opportunities for the Authority during demolition and construction.
- iii. NWLCA Interconnection: Discussions were had with DEP. They are currently accepting of continuing discussions between the Authority and Penn Township's Authority (NWLCA – Northwest Lancaster County Authority).
  1. Solicitor Gray advised Mr. Stoner to wait for the NWLCA to devise a draft agreement. This draft is currently in progress.
- iv. Doe Run Road: Once the Sweetbriar Creek and Cedar Hollow developments have been completed the Authority is to turn over the lines on Doe Run Road, per the Authority's current agreement with NWLCA. Penn Township is taking the necessary steps to allow this transaction.
- v. Mr. & Mrs. Hill: Mr. Stoner is waiting for a response from Rapho Township regarding the Hill's connection to the Authority's system.

**VII. Action Items:**

a. Appointment of Bond Counsel:

- i. Discussion was had on which companies should be contacted with the Authority's additional inquiries. The Authority was in agreement to have all three companies which made presentations contacted with their outstanding inquiries.  
  
Ø A Motion was moved by Dr. Jury to set forth that it is the intention of the Authority to name Solicitor Kathleen A. Gray and Barley Snyder as bond counsel in the event the Authority decides to acquire bonds. The Motion was seconded by Mr. Schaidle and passed unanimously.

**VIII. Adjournment:** Mrs. Horst, Mrs. Mitchell and Mr. and Mrs. Hill all excused themselves prior to adjournment.

- Ø A Motion was moved by Mr. Schaidle to adjourn at 10:12pm. The Motion was seconded by Mr. Carpenter and passed unanimously.

Respectfully submitted,

Candace L. Hoover  
Recording Secretary/ Utility Billing Administrator

# MANHEIM BOROUGH AUTHORITY MINUTES

August 17, 2006 as amended September 21, 2006

- I. **Roll Call:** Chair Douglas Snavelly, Vice Chair Rick Schaidle, Secretary Kevin Brown, Assistant Treas. /Sec. Rick Carpenter, and Marc Phillips.

**Absent:** Treasurer Barb Horst

**Staff:** Borough Manager/Authority Administrator - Robert Stoner, Recording Secretary/ Office Administrator – Trudi Golden, and Authority Engineer Yves Pollart.

**Plant Operations Staff:** Facility Manager Dennis Dragas

- II. **Call to Order with Pledge of Allegiance:** Chairman Snavelly convened the meeting with the Pledge of Allegiance at 7:02pm.

### III. Minutes:

- a. Several minor typos were noted and submitted by Mr. Snavelly and Mr. Schaidle for correction.
- b. Page 2, section b, subsection ii; the sentence is to read: “Also she would like to take prior year’s surplus and move it to a capital reserve fund. This action would move capital items out of operational costs.”
- c. Page 4, section b, subsection i, 4<sup>th</sup> sentence is to read: “The tank is in good condition though the ceiling interior surface is of some concern.”

Ø A Motion was moved by Mr. Schaidle to approve the Minutes of August, 17<sup>th</sup>, 2006 as amended. The Motion was seconded by Mr. Carpenter, and passed. Mr. Brown abstained due to his absence of last months meeting.

### Treasurer’s Report

- a. Authorization to Pay Vouchers:
  - i. Mr. Stoner noted the invoice payable SRCB was added, this is for the pump test review for Well #6.
  - ii. Mr. Stoner stated the checks payable to Fulton Bank are for the debt service, these will be held until verification of the transfer of the funds to the General Fund are verified.

Ø A Motion was moved by Mr. Schaidle to approve the vouchers in the amount of \$740,340.23. The Motion was seconded by Mr. Brown, and passed unanimously.
  - iii. Mr. Stoner discussed the investment report, see attached.
- b. Financial Report: Mr. Snavelly questioned why the revenue percentage was high. Mr. Stoner stated this is due to tapping fees.

**Visitors:** None were present.

### IV. Reports

- a. Engineer’s Report: see attached.
  - i. The meeting with SRCB relative to Well #6 was positive; we are looking for approval from them and DEP by the middle of September. The Wells which draw from the aquifer and the creek was of concern to SRBC; monitoring will be required. Once permitted only one well can be used at a time. There was discussion on the Fairgrounds Well and that we are not pursuing this at this time. The suggestion from SRBC is to go south / south east of town and investigate; we could also do a co-operative permitting with Penn Township. Mr. Pollart spoke to the geologist and was advised that the Penryn area may be the place to look

but the only way to know is to do the test drill. The thought was just to continue looking on the Authority property, this will help ease the cost and be advantageous in proximity.

- ii. Graham Alley: We are waiting for contracts to be returned. Mr. Pollart requested the Board take action so that upon receipt of the contracts he can proceed with the notice to award.
  - Ø A Motion was moved by Mr. Phillips that upon receipt of the Graham Alley contract documents the Notice to Proceed be signed and executed. The Motion was seconded by Mr. Schaidle and passed unanimously.
  
- b. Operator's Report: Mr. Dennis Dragas of Miller Environmental was present; monthly report is attached.
  - i. The ABS at PS 2 has been removed and sent out to be rebuilt; the cost will be \$11,500.00.
  - ii. The ferric mixer is installed and running.
  - iii. Discussion was had on the cleaning of the tanks and there is some concern relative to rust, painting, etc. The 1 million gallon tank needed a new valve; some work is needed on the 2 million gallon tank relative to drainage. MEI will have a proposal from the contractor for the next meeting. A maintenance contract and agreement will also be provided.
  
- c. Administrator's Report: see attached.
  - i. Mr. Snavelly stated Dr. Jury's letter of resignation has been accepted. He will be missed. Mr. Snavelly stated it would be advantageous for the Board to contact him and hope he reverses his decision. Discussion was had relative to the process for replacing a member. It was noted that it may be beneficial to have a Council liaison present at the monthly meetings. Additional discussion was had relative to contract negotiations and the direction both the Authority and Borough are taking. Mr. Snavelly questioned what the direction of Council is. Mr. Stoner stated Council's intentions are not to renew with Miller as the current contract states. Ms. Golden noted that the intentions of the Street Committee are not to renew with Miller. Mr. Stoner stated options are being looked at.
  - ii. Mr. Schaidle questioned what the status of the newsletter is. Mr. Stoner stated he met with Laura of Rettew and there are some things to be tweaked. He is looking for distribution to be at the beginning of Sept. It was noted that due to the resignation of Dr. Jury the picture of the Authority is to be removed.
  - iii. Discussion was had relative to the letter from Rettew dated Aug. 17<sup>th</sup>, 2006 - (see attached); subject – MEI Required Analytical Data. There are two types of septage accepted; one is residential and the other is from other treatment plants. If the septic manifest is accurate then each load is tested for PH and solids. A monitoring process is in place and there are no suggestions for changes at this time; this is the recommendation of Authority Engineer Yves Pollart, Rettew Associates. There was discussion relative to the possibility of marketing the sludge to help with the expenses facing the Authority. Mr. Pollart stated that we have a class B sludge and to sell, the need is a class A, there is technology for this but there would be a significant investment. The new plant will produce this with more consistency but it will not be a class A.
  - iv. I and I: Mr. Stoner stated this is not complete. He will e-mail the Board the information by the end of next week. Additional discussion was had on the inspection process.
  - v. Finance Services: Tabled until the next meeting. Mr. Snavelly asked what the deadline is. Mr. Stoner stated 60 days would be prudent and there is no pressure at this point. The decision was made that if a board member cannot attend the next meeting their decision should be forwarded via e-mail.
  - vi. Mr. Stoner discussed the information on the investment options; three local banks were contacted and the rates are close. There was discussion on PLIGIT. The decision was to

move the money to Bank of Lancaster County upon verifying there will be no penalty for early withdrawal.

Ø A Motion was moved by Mr. Brown to transfer funds to Bank of Lancaster County, it will be at the discretion of Management to incrementally divide the funds. The Motion was seconded by Mr. Schaidle and passed unanimously.

vii. Northwestern Lancaster County Authority – Manheim Borough Authority Water Interconnection: Discussion was had relative to the proposal. Mr. Stoner stated he would like to tweak the language. Mr. Snively stated on page 4, section 13 – “Connection”, subsection “A” – “Construction of Interconnection” - the language is very vague. There was additional discussion on how to determine rates and Mr. Stoner stated the process will need to be worked through.

viii. Mr. Stoner noted the letter from Forino; see attached. At this time nothing can be done until the tank is up. Mr. Schaidle questioned if there is enough capacity? Mr. Pollart stated there is.

ix. There was discussion on the meeting to be held with Secretary McGinty of DEP. Mr. Brown stated this is an opportunity and it would be advantageous to the Authority if they gather thoughts, possibly provide a presentation and explain their funding and time restraint concerns.

V. **Action Items:** No items were presented.

VI. **New Business:** No items were presented.

VII. **Old Business:**

- a. Contract Services: The contract, if renewed with Miller Environmental, will be in the Authority’s name. Mr. Smith of Miller Environmental would like to talk with the Authority and review the contract. Mr. Stoner recommended a committee be formed; Mr. Snively would prefer an “executive” type meeting be held rather than forming a committee and then having them report to the Board. The Authority would prefer to talk with MEI prior to negotiating RFP’s, the thought is to re-negotiate with Miller. The request was made to have copies of the Contract forwarded to the Board. Mr. Stoner will contact Mr. Smith and set up a meeting to be held at 6:00pm prior to the next scheduled Authority meeting.
- b. Mr. Schaidle questioned if anything has been done with the water house. Mr. Stoner stated one contractor has been contacted relative to moving the house.

VIII. **Adjournment**

Ø A Motion was moved by Mr. Carpenter to adjourn at 9:33pm. The Motion was seconded by Mr. Schaidle, and passed unanimously.

Respectfully Submitted,

Trudi Golden  
Administrative Assistant

## MANHEIM BOROUGH AUTHORITY MINUTES

September 21, 2006 as amended at the October 26, 2006 meeting

- I. **Roll Call:** Douglas Snavelly – Chair; Rick Schaidle – Vice Chair; Kevin Brown – Secretary; Barbara Horst – Treasurer; Rick Carpenter Assist. Secretary/Treasurer; and Marc Phillips.

**Staff:** Robert D. Stoner – Borough Manager/ Authority Administrator; Candace L. Hoover – Recording Secretary/ Utility Billing Administrator; Yves Pollart – Engineer, Rettew Associates

**Plant Operations Staff:** Dennis Dragas – Facility Manager

- II. **Call to Order with Pledge of Allegiance:** Chairman Snavelly called the meeting to order with the Pledge of Allegiance at 7:00 pm.

### III. Approval of Minutes – August 17, 2006:

- a. Mr. Schaidle indicated that section IV-a-i-sentence six should read, “Mr. Pollart spoke to the geologist and was advised that the Penryn area may be the place to look but the only way to know is to do the test drill.”
- b. Mr. Snavelly noted that sentence five of the same section should read, “The suggestion from SRBC is to go south/ southeast of town and investigate; we could also do a co-operative permitting with Penn Township.
- c. Mr. Pollart concurred with Mr. Phillips and Mr. Schaidle that Section IV-c-iii-sentence two should read, “If the manifest is accurate then each load is tested for PH and solids.”
- d. Mr. Schaidle requested that Section IV-c-iii- sentence five read, “Mr. Pollart stated that we have class B sludge and to sell, the need is a class A, there is technology for this but there would be a significant investment.”
- e. Mr. Stoner requested that Section IV-c-iv-sentence three be struck from the record.
- f. Having no further corrections Chairman Snavelly entertained a Motion for approval of the Minutes.

Ø A Motion was moved by Mr. Phillips to approve the Minutes as amended. The Motion was seconded by Mr. Carpenter and passed. Mrs. Horst abstained from the vote as she was not present at the last meeting

### IV. Treasurer

- a. Financials: The revenue reports appear in the negative for both the water and sewer due to the payment of the remainder of the year’s debt service.
  - i. Mr. Snavelly inquired about the capital items list (see attached). The items listed which have dates and do not have amounts listed have not completed. Mr. Dragas stated that the manhole project is pending information from a third party. The other items were tabled until he reviews the budget with Fiscal Assistant Sandra Mitchell.
- b. Authorization to Pay Current Vouchers: The vouchers were reviewed and discussed. (See attached.) Inquiries were placed and clarified on the Rettew and LB Water charges.

Ø A Motion was moved by Mr. Schaidle to approve payment of the current vouchers in the amount of \$26,371.52. The Motion was seconded by Mr. Phillips and passed unanimously.

**V. Visitors:** George Smith, President of Miller Environmental Incorporated (MEI), Robert Corn, Director of Operations at MEI, and Engineer Jim Hopkins, Director of Administration and Marketing at MEI.

- a. Miller Environmental, Inc.: Mr. Hopkins reviewed a PowerPoint presentation (see attached) reviewing the Authority's history with MEI. (See attached.) He indicated that there were many risks associated with bidding contracted services that would not come to play should the Authority renew their contract with MEI.
  - i. He shared that contract operations protect the Authority's investments, resolve problems in house and have the benefit of anticipating growth and on-hand expertise.
  - ii. He also indicated that because of the timing required in putting together a package to solicit bids, the Authority would have had to have started a week or two prior to tonight's meeting.
  - iii. Mr. Hopkins stated that the septage program is very unique, giving the Authority the advantage of additional revenue.
  - iv. Mr. Dragas reviewed the QA/QC program regarding acceptance of sludge. The testing requirements are based on regulations provided by the EPA and Authority's regulations. Samples are taken of all accepted loads. Any entities who attempt to dump unacceptable sludge are no longer accepted at the plant.
  - v. Mr. Dragas clarified for Mr. Schaidle that there are twelve WTP and WWTP employees. Six employees are full time water/wastewater and two are full time public works.
  - vi. Mr. Stoner reviewed the history of the creation of the public works department in conjunction with water/ wastewater services.
  - vii. Discussion was had on possibilities with taking meter readings and billing.
  - viii. Discussion was had on the structure of the current contract. Solicitor Kathy Gray had stated in conversation with Mr. Stoner that the length of the contract should not extend past the time of the Authority's terms. Too lengthy a contract would commit the following board members to the same contract.
  - ix. Mr. Smith stated that MEI could re-evaluate costs should the Authority install a different type of plant.
  - x. The deadline to submit a letter to cancel the current contract is the first week of October. Council must cancel the current contract because public works is to be broken out. MEI could bid to handle the public works department, but it would not be within the current constraints of the current contract.
  - xi. Discussion was had on the scale used for the current contract's increasing service fees.
  - xii. Mr. Schaidle recommended that the Authority work with the current contract as a template to design a new contract with MEI. The Authority was in agreement to include a clause which required Mr. Dragas to remain with them.

**VI. Reports:**

- a. Engineer's Report – Updates & Inquiries: (See attached.)
  - i. Well #6: SRBC has approved the application for the well's use. Mr. Pollart reviewed the stipulations which must be met to use the well. (See attached.) DEP will approve the application based on SRBC's decision.
  - ii. Graham Alley: The contractor will mobilize on October 9<sup>th</sup> due to the delay in procuring manhole covers.

- iii. Sun Hill Water Tank: Mr. Pollart recommends a reduction in the letter of credit for the construction of the water tower in the amount of \$273,010.00.
  - 1. The warranty is good for one year upon receipt of the final engineer's approval. Mr. Schaidle requested an 11 month inspection of the tower. Mr. Pollart confirmed that the maintenance and performance bond is good for a year and covers 100% of the project cost.
  - 2. Mr. Stoner has to meet with Penn Township regarding their intention to remove the trees around the water tower. The Authority may want some sort of screening around the tower in the form of trees.
- iv. Payment Request #4: Mr. Pollart recommended a reduction in the letter of credit in the amount of \$70,020.00.
  - Ø A Motion was moved by Mrs. Horst to approve both payment requests in the amounts of \$273,010.00 and \$70,020.00. The Motion was seconded by Mr. Phillips and passed unanimously.
- v. Bottled Water: Mr. Pollart met an Authority which bottles their water for \$0.39 per bottle. The water is donated to organizations such as the Boy Scouts which in turn cannot be sold for more than \$1.00.
- vi. Chesapeake Bay Strategy – Ag Trading: Working with the Red Barn, a nutrient broker, would cost from \$273K to \$617K a year. It is not only expensive, but there is no guarantee that it would work. With contracts that are only renewed on a yearly basis the program is more of a stop-gap measure.
  - 1. Legacy Soils: Mr. Stoner shared that he has spoken to several people seeking support for the Legacy Soils program. There are many opportunities there.
- vii. Rate Study Proposal: Retew has made adjustments to the rate study proposal. Phase One is a lump sum payment of \$9,000.00. Phase Two is estimated at \$7,725.00. The Authority discussed the need to determine how their rates are determined and charged in order to be prepared to explain to their constituents how and why rates are what they are. Discussion was had on the pending upgrade costs, the current debt service overhead and whether or not investing in the rate study is as timely as it is necessary. Mr. Stoner reminded the Authority that there hasn't been a logical explanation to the design of the current rate structure. It was implemented in its current structure before any of the board or staff was brought on. Approving this proposal would allow the Authority to construct a logical and fair rate structure. If it is approved this evening it can be completed within three months, in time for budget.
  - Ø A Motion was moved by Mr. Brown to accept both phases of the proposal as presented with Phase One to be completed by the November. The Motion was seconded by Mr. Phillips and passed unanimously.
    - 1. Interconnection: Discussion was had on whether special rates would be charged to Penn Township as they would be purchasing bulk water. Mr. Stoner and Solicitor Gray are working on the proposed contract provided by Penn Township.
- b. Operator's Report – Updates & Inquiries – Dennis Dragas, Facilities Manager: (See attached.) Mr. Dragas explained the pump and valve problems which have occurred at the



WWTP. One of the issues occurred while Mr. Dragas was on vacation. Mr. Stoner thanked Dave Smith, the Assistant Supervisor, for his assistance in fixing the equipment.

- i. Street Restorations: Restorations are in progress.
  - ii. Flows: The WWTP has experienced the highest flows of the year.
  - iii. DEP Correspondence: The attached letter was discussed. Discussion was also had on whether or not the old tanks could be kept after the upgrade in order to store any possible flow increases. Mr. Pollart and Mr. Dragas explained that with the new plant exceeding flows will be highly unlikely but still possible even if expansion tanks were available. The idea, however, is good.
- c. Administrator's Report – Updates & Inquiries: (See attached.)
- i. Bond Counsel: Mr. Stoner received notice from Solicitor Gray thanking the Authority for the opportunity to serve as the Authority's bond counsel.
  - ii. Chesapeake Bay Strategy: Mr. Stoner learned that Virginia and Maryland are ahead of Pennsylvania in compiling compliance and obtaining funding for compliance to the Chesapeake Bay Strategy. For example, every property owner on sewer or septage pays what is called a "flush tax". Interestingly enough their efforts have not shown any benefit to the Bay.
  - iii. Financial Advisors: Mr. Brown shared that he has two dilemmas. One is the existing relationship with Concord and having no problems thus far. The other is that the principals of RBC's track record are better known to him, so he is more comfortable with RBC. Mr. Schaidle felt that the prices for all three companies are comparable. He has heard nothing bad about Concord and does not see any reason to switch from their services. Mrs. Horst stated that it is a fair toss-up between the companies, but she leans towards Concord due to their consistent service. Mr. Carpenter stated that he liked RBC's presentation as well as Concord's, but leans towards RBC. Mr. Phillips added that RBC is a high player but Concord has provided good services thus far.
- Ø A Motion was moved by Mr. Schaidle to approve Concord as Financial Advisors to the Authority. The Motion was seconded by Mrs. Horst and passed unanimously.
- iv. The Canvas Eatery: Mr. Stoner reviewed the situation with the set-up of the Authority's 2" line and the arrangement of the lines servicing the Eatery and the other connected services. He and Mr. Pollart's recommendation is to provide the Eatery with a storage tank so that water is pulled from the tank rather than the main. This way the other users will not lose pressure. Mr. Pollart would be able to provide tank specifications and prices in about one week. The Eatery would have to plumb the tank themselves.
- Ø A Motion was moved by Mr. Brown to approve the project not to exceed \$2,500.00. The Motion was seconded by Mr. Schaidle and passed unanimously.
- v. National Incident Management System (NIMS): Resolution 9/21/2006 (AKA 2-2006) is federally mandated.
- Ø A Motion was moved by Mr. Brown to pass Resolution 9/21/2006. The Motion was seconded by Mr. Schaidle and passed unanimously.

- vi. Hill: Mr. & Mrs. Jesse Hill have submitted a request to drill a well and connect their proposed property to the sewer system. Mr. Stoner told them that copper has to be run from the main to the meter. The meter will be in a meter pit. Mr. Stoner gave the Hills suggestions as to how to mark their line in order to find it in the future. Mrs. Hoover is to research the regulations as to whether they must connect their water and sewer.

**VII. Action Items:**

- a. Brown, Schultz, Sheridan, and Fritz Audit Proposal: (See attached.)
  - Ø A Motion was moved by Mrs. Horst to accept the proposal from Brown, Schultz, Sheridan and Fritz. The Motion was seconded by Mr. Schaidle and passed unanimously.
- b. I&I: The proposal is for \$27.74 per unit for the primary inspection. Re-inspections are billed at an hourly rate. If a contract is not placed with MEI for contract services for after 1/31/07 then this contract would terminate.
  - Ø A Motion was moved by Mrs. Horst to approve the Brown, Schultz, Sheridan, Fritz proposal as set forth. The Motion was seconded by Mr. Schaidle and passed unanimously.

**VIII. New Business:**

- a. PMAA: (See attached.) The Authority was invited to attend a PMAA function.

**IX. Old Business:**

- a. MEI: A committee of Mr. Schaidle, Mr. Brown and Mr. Snavely was formed to work with Mr. Stoner to provide a scope of work to MEI.

**X. Adjournment:** Hearing no further items Chairman Snavely entertained a Motion to adjourn.

- Ø A Motion was moved by Mr. Schaidle to adjourn at 10:25pm. The Motion was seconded by Mrs. Horst and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary/ Utility Billing Administrator

## MANHEIM BOROUGH AUTHORITY MEETING

October 26, 2006

I. **Roll Call:** Douglas Snavelly – Chair; Rick Schaidle – Vice Chair; Kevin Brown – Secretary; Barbara Horst – Treasurer; Rick Carpenter – Assist. Secretary/Treasurer; and Marc Phillips.

**Staff:** Robert D. Stoner – Borough Manager/Authority Administrator; Candace L. Hoover – Recording Secretary/Utility Billing Administrator, Yves Pollart – Rettew Associates.

**Operations Staff:** Dennis Dragas – Facilities Manager

II. **Call to Order with Pledge of Allegiance:** Chairman Snavelly convened the meeting at 7:00pm with the Pledge of Allegiance.

### III. Approval of Minutes – September 21, 2006:

- a. Mr. Dragas noted that Section VII-b's first sentence should read, "The proposal is for \$27.74 per unit for the primary inspection."
- b. Mr. Snavelly noted that Section II should read, "Chairman Snavelly called the meeting to order with the Pledge of Allegiance at 7:00pm."

✓ A Motion was moved by Mr. Brown to approve the Minutes as amended. The Motion was seconded by Mr. Phillips and passed unanimously.

### IV. Treasurer

- a. Revenue and Expenses Report: Mr. Stoner reported that there was a water and sewer tap on Old Line Road. He and Mrs. Horst suggested that taps received from Rapho Township residents be placed against the \$250,000 lateral loan the Authority has to Rapho Township. The amortization chart would be recalculated based on those principal payments.

✓ A Motion was moved to approve the application of tapping fees received from Rapho Township residents towards the principal debt balance owed to Rapho Township. The Motion was seconded by Mr. Brown and passed unanimously.

- b. Capital Projects List: Mr. Dragas reported that the roof repairs which were authorized for the WWTP have been completed.
- c. Authorization to Pay Vouchers: Mr. Schaidle stated that the ABS pump repair (Invoices 07411316 and 06-4339J8) were to come out of capital expenditures. Mrs. Horst requested that Fiscal Assistant Mitchell call her in regards to moving funds accordingly.

✓ A Motion was moved by Mr. Schaidle to approve payment of the vouchers in the amount of \$52,422.28. The Motion was seconded by Mr. Brown and passed unanimously.

V. **Visitors:** Russ Brown of Utility Service Holding Co., Inc. and Pat McGeehan of 140 East High Street.

- a. Presentation by Russell Brown of the Utility Service Company: Mr. R. Brown supplied background information on his company. They are a nationwide firm based in a small town in

Georgia who provides asset management and inspections to assets. They would monitor, paint, repair and supply all of the emergency services required for the water storage tanks.

1. The visual inspection would be done annually. Any deficiencies would be fixed upon their discovery by the same crews that do the inspections. Washout inspections (like the one completed this year) are done bi-annually.
2. Mr. Dragas confirmed that this would not change Miller's scope of services.
- b. The company charges a single annual fee, so it is in their best interest to mitigate their risks by up-keeping their clients' assets. This program would lessen the Authority's equipment depreciation. The loss of depreciation would alter the formula used to calculate tapping fees.
  1. Mr. R. Brown stated that Utility Services keeps their costs low by using their purchasing power to purchase vast quantities of paint, producing some of their own products and by other means.
  2. Utility Services does not do financing and does not run their proposals with interest. The agreements are for a term of one year and are annually renewable, structured to be in place for a long term client relationship.
  3. Utility Services comes in and does whatever work is necessary. They do all of the painting and repairs before the authorities are invoiced. This also allows the authorities to have their staff and engineers inspect all of the work done before receiving an invoice.
  4. Mr. R. Brown shared that the capital spent on this program could be spread out over time. This would prevent the Authority from ever being hit by a large capital expense should a repair become necessary.
  5. Utility Services also works with authorities on spreading out costs based on the authority's needs. For example, if in the first year there is a large amount of repairs, the fees would be thinned over a number of years to lessen the amount of capital outlay needed each year.
- c. Mr. Brown inquired as to whether or not there were any pending regulations on water storage tanks. Mr. R. Brown stated that there are none yet. Authorities are taking a more serious look at their storage tanks for many reasons other than asset preservation. Pro-active work is the growing trend.
  1. Mr. Pollart stated that there are currently no regulations for how tanks are maintained, however, regular maintenance would prolong the lifespan of the tanks. His comment led into a discussion on the benefits of regular maintenance.
  2. Mr. R. Brown shared that it is the nature of the design of the water storage tanks to have low corrosion endurance on their ceilings and floors. This is due to the lessened thickness of the steel for the roof and floor. The floor is subject to constant water contact and the roof is subject to varying temperatures, chemical gasses and condensation.
  3. Mr. R. Brown shared that some authorities have their drained inspections and maintenance in greater interludes. Mr. Snavely and Mr. Stoner believe that the tanks have not been drained in at least eight years. By his best guess Mr. R. Brown feels that he is 75 to 80% sure that the tanks' interiors were painted in the 80's based on the type of paint that was used.
- d. Discussion was also had on putting together comparative pricing. Mr. Schaidle believes that there could be a cost savings by contracting someone on an as-need basis. The Authority was in agreement to table their decision.

## VI. Reports:

- a. Engineer's Report – Updates & Inquiries: Pennvest is looking at closing out filter plant project.
  1. Sweetbriar Creek: There was some initial confusion about the placement of one of the developer's lines in order to pave the road. Everything has been clarified.

2. Water Tower: The scaffolding for the outside painting is being set up and the inside painting is underway. An extensive discussion was had on the temperatures required for painting.
  3. Graham Alley: Final backfill is scheduled for tomorrow. Temporary paving will be set with final paving to be done next spring.
  4. New Water Source: It is being determined how access will be provided to and from the well.
  5. Chesapeake Bay Strategy: It is expected that approval for higher output rates and a longer time frame to comply will be approved.
  6. Rate Study: Mr. Bob Ambrose will be present at the next meeting to discuss the rate study process and issues that have arisen.
- b. Operator's Report – Updates & Inquiries: Mr. Dragas reported that the current daily production for water is 770,000 gallons and wastewater is 1.027 million gallons.
1. I and I Report: The inspector has been working for two and a half weeks. He made 488 stops. Of that, 180 of the stops were not home. Of those, 44 have been revisited and inspected. The results of the completed inspections are as follows; 153 passed, 155 have water related violations and 41 have wastewater related violations. There is currently an approximation of a 21% illegal connection rate.
    - i. Discussion was had on the reasoning behind the requirement of expansions tank on water heaters.
    - ii. Mr. Pollart stated that he is aware of a municipality that requires lateral tests from property owners who are selling their property as part of their I and I program. (It is the same air test that is done to a lateral before it is passed in its installation inspection.) Any deficiencies must be fixed before the house sells. He will try to get a copy of the ordinance the municipality used in order to pass the requirement.
  2. Well #4: Last week the well's breaker was tripped on the main line, which prevented flow stoppage. The pump then died. Mr. Pollart obtained an emergency permit for Well #6. It was used until Well #4 was operational.
    - i. Mr. Dragas does not recommend the constant use of Well #6 because it is more complicated to process since the source water is dirtier than in Well #4. For that reason he would like to have Well #6 purged.
    - ii. When Rettew has the connection possibilities for the new water source they will look at Well #6 and provide a quote for its purging.
  3. WWTP: Mr. Dragas stated that they need another Ph monitor in order to meet DEP standards. The Authority agreed to allow its purchase.
  4. MEI Contract Negotiations: The contract committee will try to meet on November 9<sup>th</sup> at 5:00 pm.
    - i. Mr. Schaidle stated that the committee has met with MEI twice. They would like for Mr. Smith (President of MEI) to provide his draft changes so that they can present a final rough draft to Solicitor Kathy Gray.
    - ii. Mr. Snively shared that the sludge produced right now is considered "Class B". Some ideas were presented at their meeting which could be investigated in order to increase the sludge created to a "Class A". "Class A" sludge can be sold which would provide the Authority with an additional revenue source.
    - iii. Raising the price of sludge hauling was discussed at the meeting, but was not recommended in order to remain competitive. Sludge disposal is also being reviewed. Reducing its weight would reduce the cost necessary in disposing of it. Currently, MEI pays \$200,000 a year to haul it out. 80% of the sludge is water. Drying it out would lessen hauling costs.

- Mr. Pollart inquired as to who would pay for the drying equipment. Mr. Snavely explained that MEI is discussing paying for the drying equipment up front and then the Authority would arrange an amortization schedule for reimbursement which would covers the length of the contract.

5. Errors & Omissions Insurance:

- ✓ A Motion was moved by Mr. Schaidle to approach Council to drop the Errors and Omissions insurance and to write MEI a letter canceling their contract as of January 1, 2007 rather than January 31, 2007. The Motion was seconded by Mr. Brown and passed unanimously.

c. Administrator's Report – Updates & Inquiries:

1. National Fish and Wildlife Foundation – Targeted Watershed Grant: Mr. Stoner reported that he met with the Susquehanna River Basin Commission. The National Fish and Wildlife Foundation has a \$400,000 to \$1 million grant available with a match figure. Together, Penn DOT Five Points project, Greentree Business Center's improvements, Penn and Rapho Townships and the Borough's projects all collectively qualify the Authority to apply for the grant. (The seven page pre-application is due November 17, 2006. A response should be provided from the foundation in December of this year or January of next year.)
2. Penryn/ Doe Run Road Water Tank: The cost factors have not yet been determined, but Rettew is recommending a 100 gallon tank.

**VII. Action/ Discussion Items:**

- a. Dedication Plaque: Discussion was had on the cost of the plaque. For the record, Mr. Phillips name is spelled "M-a-r-c," Mr. Schaidle goes by "Rick," and Mrs. Horst goes by "Barb". Discussion was had on choosing another means of signifying board members' participation.
  1. The Authority was in agreement to authorize Mr. Pollart to have his graphics team design a more cost efficient marker. Reproductions should be sent to the two members who will be memorialized on the marker. Staff will verify member service dates and name spellings.
- b. Release/ Reduction: Cedar Hollow: Mr. Pollart recommends the release of the developer's letter of credit barring any comments to be provided by Solicitor Gray.

- ✓ A Motion was moved by Mrs. Horst to approve moving forward with the release of the letter of credit in accordance with the developer's agreement and in conjunction with Solicitor Gray's approval of satisfactory completion of legal obligations. The Motion was seconded by Mr. Brown and passed unanimously.

- c. Release/ Reduction: Sweetbriar Creek: Mr. Pollart recommends the release of the developer's letter of credit barring any comments to be provided by Solicitor Gray.

- ✓ A Motion was moved by Mrs. Horst to approve moving forward with the release of letter of credit in accordance with the developer's agreement and in conjunction with Solicitor Gray's approval of satisfactory completion of legal obligations. The Motion was seconded by Mr. Brown and passed unanimously.

- d. Rettew Invoices: As is customary with their other customers, Rettew will be charging a \$100.00 meeting attendance fee.
- e. Reduction: Water Tower: A request was made by Glace Associates for Caldwell tanks for a reduction in their letter of credit in the amount of \$25,920.00. Mr. Pollart reviewed the request and recommends releasing \$23,220.00 which retains \$267,000.00.
  - ✓ A Motion was moved by Mr. Phillips to approve the reduction of letter of credit in the amount of \$23,220.00. The Motion was seconded by Mrs. Horst and passed unanimously.
- f. Review/ Comments: Interconnect Agreement: Mr. Stoner shared that Penn Township did not take kindly to the recommendation that the Borough would only pay for 15% of the interconnection design and implementation. Mr. Pollart recommended 15% so as not to commit the Authority to a figure without knowing the value of the land that would be lost. For now there is no idea of what costs would be. Penn Township would like to see a 50% / 50% split. Discussion was had on the timing of the presentation on the interconnect and the cost possibilities of developing the interconnection. The agreement should state the rate at which the Borough Authority and Township Authority will purchase and sell water to one another.
- g. Vacancy Process: Discussion was had on the two volunteers for candidates; Carol Howard-Pogue of 205 South Charlotte Street and Pat McGeehan of 140 East High Street.
  - ✓ A Motion was moved by Mr. Brown to nominate Mr. Pat McGeehan to the Authority. The Motion was seconded by Mrs. Horst and passed unanimously.
- h. Sun Hill Service Area Update: All of the residents within the project area affected by Penn Township's storm water project have made commitments to connect by the 31<sup>st</sup> of October. The remaining connections were to be made by the end of this year. Staff will request documentation from the Township regarding enforcement of connections by year's end.
- i. Herbert Hess: Capacity Request:
  - ✓ A Motion was moved by Mr. Brown to approve water capacity and a sewer module for the new home as recommended by Mr. Stoner. The Motion was seconded by Mr. Schaidle and passed unanimously.
- j. Tapping Fee Modification: Increase Sewer Tap from \$4,500 to \$5,000 (\$5,004): When the tapping fee was adjusted last year the maximum figure was \$5,004.00. Mr. Stoner is recommending an increase from \$4,500.00 to \$5,000.00 beginning January 1, 2007. The Authority has recommended that any pending permits (or in the process of recording) be notified of the pending increase.
- k. WTP: Rettew has requested an approval signature on a release form which would allow Rettew to use a photograph of the WTP for their brochures. The Authority agreed.

**VIII. New Business:** No items were presented.

**IX. Old Business:** No items were presented.

**X. Adjournment:**

- ✓ A Motion was moved by Mr. Schaidle to adjourn at 10:35 pm. The Motion was seconded by Mrs. Horst and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary/ Utility Billing Administrator



## MANHEIM BOROUGH AUTHORITY NOV. 16<sup>TH</sup>, 2006

**Roll Call:** Chairman Douglas Snaveley, Member's: Pat McGeehan & Marc Phillips  
Kevin Brown arrived at 9:00pm

**Staff:** Robert D. Stoner, Borough Manager, Trudi Golden, Administrative Assistant/Recording Secretary;

The number of Board members did not constitute a quorum; a work session meeting was convened at 7:02pm.

### **Approval of the October 19, 2006 Minutes:**

- Mr. Snaveley stated on page 5 section "f", second sentence is should say "Borough Authority". In the same section Borough Authority and Penn Township Authority needs to be clarified. Section "j" tapping fee modification; to clarify, the consensus of the Board was to create a resolution relative to Mr. Stoner's recommendation to increase tapping fees and move forward.

Ø A Motion was moved by Mr. Phillips to approve the Minutes of Oct. 19<sup>th</sup>.2006 with noted changes. The Motion was seconded by Mr. McGeehan.

### **Financial reports:**

- The first phase of the I & I project has been completed and Miller Environmental has submitted an invoice in the amount of \$10,291.54.
- Mr. Snaveley questioned invoice #120142 payable to Calder Door & Specialty Company. Mr. Dragas explained a door needed to be installed between the work area and garage. The request was originated by MEI for safety reasons, as well as, to keep the work area warmer in the winter. Due to this being a property expense Mr. Stoner agreed to split the cost with MEI. Ms. Mitchell has sent an invoice for reimbursement.
- Mr. Dragas requested invoice #710 payable to Les. E. Jackson be held. Mr. Dragas noted the roof is still leaking.
- Mr. Phillips questioned the Barley Snyder invoices. Mr. Stoner noted the majority of charges are for the agreement with the North Western Lancaster County Authority and the processing of liens.
- Mr. Snaveley questioned invoice #242750 payable to Worley and Obetz. Mr. Dragas stated this was to start the furnace in the water house; a bill will be forwarded for filling the tank. Mr. Snaveley requested the house be winterized. Discussion was had on the water house property. Mr. Dragas stated the Kendig pump is housed in the garage and there is no heat. Mr. Stoner and Mr. Dragas will work on getting a contractor to build a wall around it and insulate the pump.

Ø A Motion was moved by Mr. Phillips to approve the vouchers in the amount of \$37,575.98. The Motion was seconded by Mr. McGeehan. A quorum was not present; therefore the Motion will be passed upon approval of an e-mail majority vote.

Mr. Brown arrived at 9:00pm and was briefed on the vouchers with comments as stated above. Mr. Brown's presence formed a quorum necessary to approve the Motion.

Vote: unanimous to approve the voucher list in the amount of \$37,575.98.

- Revenue and expense report: Due to Mrs. Horst's absence Mr. Stoner will send an e-mail to the Board with any comments she may have. This will be discussed at the next scheduled meeting.
- Treasurers report: Discussion was had on the following;
  - BFP curtains are ordered and came in under budget.
  - Mr. Snavelly inquired about manholes. Mr. Dragas stated 2 more need to be done and will be done by year end. Mr. Snavelly stated if there isn't anything urgent then let them go. Mr. Dragas commented there are leaks, but it would be beneficial to put those dollars towards the Graham Alley project where 2 manholes were replaced.
  - On the water side of the report; information has been received for the painting at the reservoir from Mr. Pollart and Utility Services Co. The decision needs to be made as to how to proceed; service contract or bid.

**Visitors:** see attached visitors list.

- Mr. and Mrs. Burt Savitz were present; the attached letter provides explanation. This will need to be discussed at the next meeting and Mr. Savitz will be contacted with the decision.
- Bob Ambrose of Rettew Associates was present. Mr. Ambrose provided the rate study, see attached. Discussion was had on proposed increases and the need for a 5 year financial plan. This also provides a rate structure and funds for capital improvements. Mr. Ambrose stated that he and Mr. Stoner met this afternoon and he will need to clarify numbers and additional information provided by Mr. Stoner. The Board requested Mr. Ambrose attend the next meeting when all are present. Mr. Snavelly requested we gather information on Penn Townships rates.

**Engineers Report;**

- Well number 6; Mr. Pollart explained Eichelberger's will need to remove the pump, re-develop the water bearing zone and place the pump back into the well. The cost of this will be \$11,400.00. No approval was issued; other options are being investigated.
- Water tank painting inside is done, exterior is being started, it has been pressure washed and sandblasted.
- Graham Alley construction and temporary paving is done. Mr. Stoner presented payment request # 1 and recommended payment in the amount of \$249,985.85 be authorized. Mr. Pollart stated a change order request for approximately \$2,600.00 has been received. The request is being looked at and payment is not being requested at this time. Mr. Stoner noted this is probably due to the inverted crown to improve radius and storm water improvements.
  - Ø A Motion was moved by Mr. Phillips to have payment request #1 in the amount of \$249,985.85 payable to Wexcon be processed. The Motion was seconded by Mr. McGeehan.  
Upon Mr. Brown's arrival the Motion was re-capped and was formally presented.  
Vote: Unanimous to approve.
- Mr. Pollart stated a proposal from Eichelberger has been received relative to the track rig needed for advancing on the test well. The cost would be \$7,600.00.
  - Ø A Motion was moved by Mr. Phillips to accept the proposal from Eichelbergers in the amount of \$7,600.00 for the Track rig. The Motion was seconded by Mr. McGeehan.

Upon Mr. Brown's arrival the Motion was re-capped and was formally presented.  
Vote: Unanimous to approve.

**Operations Report:** Mr. Dennis Dragas of Miller Environmental, Inc. was present

- Mr. Dragas stated there is a new employee performing the I & I inspections. Discussion was had on the process.
- Mr. Dragas noted the heater at the waste water plant was in need of maintenance.

**Manager's Report:** see attached; additional item discussed:

- Mr. Stoner noted interconnection of water; sewer and gas lines have been located relative to the Doe Run Tributary relocation. He has been trying to connect with Penn Township without success.
- The Concord meeting will not be held before the first of the year.
- A portion of the Utility Services proposal could be a capital expense, with the rest being preventative maintenance; this will be discussed at the next meeting.
- Mr. Stoner stated Rick Carpenter has resigned from the Board. Carol Pogue is to be invited to the next meeting.

**New Business:** None

**Old Business:**

- Mr. Brown updated the Board on the contract negotiations. The language is in place and the Committee is now working on the cost. Mr. Snavelly stated the existing contract is with the borough and now it will be with the Authority. There was discussion on the contract where we were and where we are going. Mr. Stoner noted Solicitor Gray is in the process of checking the contract language.

**Adjournment:**

- Ø A Motion to adjourn at was moved by Mr. Phillips at 9:13pm, seconded by Mr. McGeehan.  
Vote: unanimous to adjourn.

Respectfully submitted,

Trudi Golden

## MANHEIM BOROUGH AUTHORITY MINUTES

December 21, 2006 as amended at the January 18, 2007 meeting

- I. **Roll Call:** Chairman Douglas Snavely, Vice Chairman Rick Schaidle, Secretary Kevin Brown, Treasurer Barb Horst, Member Marc Phillips, and Member Pat McGeehan.

**Staff:** Borough Manager/ Authority Administrator Robert D. Stoner, Recording Secretary/ Utility Billing Administrator Candace L. Hoover, Fiscal Assistant Sandra Mitchell and Engineer Yves Pollart.

**Operations Staff:** Facility Supervisor Dennis Dragas

- II. **Call to Order with Pledge of Allegiance:** The meeting was convened with the Pledge of Allegiance by Chairman Snavely at 7:05pm.

### III. Approval of November 16, 2006 Minutes:

- Ø A Motion was made by Mr. Brown to approve the Minutes as presented. The Motion was seconded by Mr. Phillips and passed unanimously.

### IV. Treasurer's Report:

a. Treasurer's Report:

1. Mr. Dragas confirmed that the roof project is still outstanding because he is not satisfied with the quality of the work, because the roof is still leaking. Mrs. Hoover made a note to have Administrative Assistant Trudi Golden follow up on the repair.
2. Mr. Dragas also confirmed that the water house has been winterized and that a contractor will be contacted in the future to build better protection for the heater. Currently it is wrapped in plastic which is acceptable for winterization.
3. Mrs. Horst noted that the current year-to-date sewer revenue and expense reports indicate that the budget might close over budget. Two line items in particular that are over budget are the maintenance line item and the engineering fees line item.
4. Fiscal Assistant Mitchell verified that the Wexcon payment was made out of the cash account and not out of the \$300,000.00 CD. Because it was approved at a prior meeting it is not indicated on this voucher list. It will show on next month's investment report.
5. Mrs. Horst inquired about the \$45,000.00 budgeted in the sewer revenue for Rapho Township's reservation of capacity. Mrs. Mitchell will follow up in order to collect the funds before year end.
6. The Kendig sewer project loan line item (8.380.200) is illustrated on the line labeled Sewer Kendig Cust. income (08.364.030). Typically the line item would wash, however, the \$25,000.00 paid to the contractor for the project and the tapping fee paid from a separate line item are not illustrated on these two lines. The \$34,000 is less the funds that were not used from the project to reduce the payback. Mr. Stoner explained how the accounts balance.
7. The water revenue and expense reports indicate that the budget might close within budget.
8. Mr. Stoner stated that less leak detection was done this year as opposed to last, because it was done only on an as needed basis.

- b. Investment Report:
  1. The funds put into the capital project account will be used on the Graham Alley project. The project will be paid out of the water/sewer fund until the renewal date arrives on the CDs. The CD will be physically cashed out next year after a re-evaluation of funds is completed.
- c. Capital Items List:
  1. WTP Pump: The project was cancelled because it was not needed. The truck loading curtains have been ordered.
- d. Authorization to Pay Vouchers: A new voucher list was presented for approval.
  1. The January MEI line illustrates the new rate agreed upon with Mr. George Smith (President of MEI). The contract states that we pay our fees the month before services are rendered. The Auditor will move the figures to illustrate the transaction as part of 2007's expenses at year end.
  2. Mr. McGeehan inquired about the Hazel Street project and reimbursement of Authority funds. Mr. Stoner will follow up with the payments and assure the Authority is fully reimbursed.
  3. Fiscal Assistant Mitchell verified that the PA One Call charge is correct.
  4. Mr. Pollart verified that the two engineering meeting charges illustrated on the vouchers are for both November and December.
  5. Mr. Dragas verified the figures listed for the water house.
  6. Mr. Stoner verified that the Greentree charges for the water and sewer taps will be reimbursed. The charges were incurred because the Authority does not have the equipment to make such a large tap. Fiscal Assistant Mitchell already invoiced Greentree for Fox's invoices, but just received L/B Water's charges and is processing that payment request.

Ø A Motion was made by Mrs. Horst to approve the vouchers in the amount of \$113,518.07. The Motion was seconded by Mr. Phillips and passed unanimously.

## V. Visitors:

- a. Actuary Robert Ambrose and Mr. David Fenicle. Actuary Ambrose was present to present rate structures to the Authority. Mr. Fenicle was welcomed to the meeting. Mr. Snavely stated that he invited him to see if he would like to join the Authority as his background in plumbing would prove an asset to the Authority.
  1. Mrs. Carol Pogue is still interested in serving on the Authority.
- b. Rate Study: Additional handouts were provided to the Authority. (See attached.) Actuary Ambrose reviewed the logic used to put together the various options.
  1. "Cost Based Change": This option is not recommended. It is the most conservation oriented, but has too big a shift for users who use more water.
  2. "Modified Existing Rate Structure": The figures include depreciation and production costs as well as other cost times that the Authority incurs to provide water, etc. to their constituents.
  3. "Alternative Rate Structure – No Volume in Minimum" and "Alternative Rate Structure": The "Alternative Rate Structure" allows a minimum of 1,000 for all of the meter sizes. Mr. Stoner shared that the staff was leaning toward the "Modified Existing Rate Structure" and the "Alternative Rate Structure".

4. A lengthy discussion was had on the rate structures and the impact each option would have on the constituents.
- Ø A Motion was made by Mr. McGeehan to approve the “Alternative Rate Structure No Volume in Minimum” option as the rate structure for 2007. The Motion was seconded by Mrs. Horst and passed unanimously. (See attached blue spreadsheet.)
- i. Wastewater Rate Structure: (See attached.) Mr. Stoner reviewed an option that was not handed out. The option included a use of 1,000 gallons in the minimum fee and an additional flat rate per each 1,000 gallons used over the minimum.
  - ii. Discussion was had on the possibility of restructuring the sewer in a fashion that would alleviate some cost on the customers who use less water.
  - iii. The Authority attempted to figure out how the base rate could be lowered and the rates could be structured to operate as the water will (with no minimum and a flat per 1,000 gallon cost on the minimum charges). The concept was accepted, but the figures would not work. The idea was abandoned because the debt service owed and the services that need to be provided require a minimum of a 20% increase in order to operate and prepare for the upcoming changes required by the government.
- Ø A Motion was made by Mr. Schaidle to approve the “Based on 8,000 Gallons in Minimum – Across-the-Board” option as the rate structure for 2007. The Motion was seconded by Mr. McGeehan and passed with opposition by Mr. Brown. The Motion passed by a vote of 5 – 1.

## VI. Reports:

### a. Engineer’s Report:

1. Well #6: The permit for Well #6 has been received. Mr. Dragas will have a meter installed at the well in accordance with SRBC requirements. The meadow well will be capped below grade so that sod must be placed over top of it.
  2. Graham Alley: The installation of the cleanout at the connection of the old lateral and the new lateral did not occur due to an oversight in project specifications. The change order will cost \$7,583.00.
- Ø A Motion was made by Mr. Schaidle to approve the change order in the amount of \$7,583.00. The Motion was seconded by Mr. Phillips and passed unanimously.
3. New Water Source: Test wells will be dug in January
  4. Chesapeake Bay Strategy: Regulation requests will be issued to which the Authority must respond with a plan which must include an intended compliance date. The brunt of engineering costs for the WWTP upgrades will come next year when land development begins. Discussion was had on hidden land development costs that may be involved as the proposed land is in Penn Township. Their regulations for land development are different from the Borough’s and may require the Borough to seek waivers of certain requirements.
  5. Sun Hill Improvement Project: There are an estimated five connectees who have not obtained the necessary permitting. Continual correspondence has been issued and will continue to be issued. Mr. Stoner suggested putting an ad in the Merchandiser and/or

any other action to assure that the residents in that area, connected or not, have been amply notified of the water tower coming online. The Authority was assured that the remaining connectees will be notified of their impending connections.

b. Operations Report:

1. Wastewater Flows: The heavy rain which occurred on November 16<sup>th</sup> caused an exceeding of permitted flows. No fines have been issued to date.
2. I and I Inspections: The new inspector has been hired and the first quadrant of the Borough is well underway.
  - i. A lot of downspouts have been found where the connections are unknown. Smoke tests will need to be completed.
3. WWTP: Mr. Dragas reported a need for a pump which he is hoping will not exceed \$1,000.00.
4. North Charlotte Street Booster Station: There is a motor reportedly making a lot of noise. It has a sealed bearing which cannot be repaired. Mr. Dragas would like to replace the motor with one where the bearings can be replaced. This would cost approximately \$1,500.00. The item was budgeted for in the 2006 budget and therefore does not require additional approval.

c. Administrator's Report: (See attached.) No additional items were reported.

VII. **Action/ Discussion Items:**

a. 2007 Budget:

1. MEI Contract: The comments provided by Solicitor Gray are attached. The budgeted figure includes a 5% increase and an additional \$3,000. Mr. Stoner reported that Mr. Smith is willing to re-open the contract once the Bond Council begins meeting with the Financial Advisors.
  - i. Sludge Hauling: Currently the Authority gets up to a maximum of 13.66% of the total monthly revenue for sludge hauling. The sludge hauling equipment was purchased by MEI and paid back by the Authority on a graduated scale. The equipment is not paid off. The billing for the hauling and some of the bidding and tests on the hauling is paid by MEI.
    - Discussion was rekindled on the processing of sludge to “Grade A” for another revenue source. Mr. Stoner will speak with Mr. Smith as to whether or not there could be any additional earnings for the Authority from the sludge hauling.

Ø A Motion was made by Mr. McGeehan to approve the contract to begin on January 1, 2007 with continued discussion to occur on the language referring to the Authority obligation on the bond indenture, the sludge hauling revenue and the language adjustment to the hiring of the Facility Manager based on the consensus of Solicitor Gray and Mr. Stoner. The Motion was seconded by Mr. Schaidle and passed unanimously.

2. Water Revenue and Expenses: The water budget is balanced accounting for the approved 15% increase. Mrs. Horst explained how the figures for revenue are determined based on current and anticipated constituents. Most of the new customers will be from the Cedar Hollow and Sweetbriar Creek developments.

3. Clarification was provided by Mr. Stoner for the representation of funds for MEI's contract services. Mr. Brown expressed appreciation for the clearer depiction, especially with the rate adjustments.
4. The engineering for the new plant will be paid from the BR&I funds and not the operational budget. The BR&I funds will be self-reimbursed to keep them separate from operational funds.
5. Capital outlay has been moved, because it shouldn't be illustrated on the operational budget. The debt service figures were pulled from the debt service schedules provided by the bank and auditors.
6. Utility Services: Mr. Stoner reviewed the segment in his report pertaining to the negotiations he had with Utility Services. Mr. Pollart verified that the Authority is saving approximately 20% by going with this company rather than refurbishing the two tanks.
7. Discussion was had on the depreciation of assets and how the current Authority inherited the system whose maintenance had fallen to the wayside. They and their constituents are trying to repair, update and operate the system all at the same time.
8. Borough Contract Services: Due to the current review of the Borough/ Authority contract there may be an adjustment to the expense portion of the budget.
9. Sewer Revenue and Expenses: The Authority was in agreement to adjust the Bond Council legal services line item from \$10,000.00 to \$8,689.00 in order to balance the sewer portion of the budget. Mrs. Mitchell will assure a fresh copy distribution for the next meeting.

Ø A Motion was made by Mr. McGeehan to approve the water and sewer budgets with the noted sewer expense adjustment on Bond Counsel legal services to \$8,689.00. The Motion was seconded by Mr. Phillips and passed unanimously.

- b. Utility Services: The proposed contract is an eight year contract. Mr. Schaidle noted that the contract should specifically state that years 6, 7 and 8 are to remain at the same cost figure. Mr. Snively made the changes and he and Mr. Brown initialed each alteration.

Ø A Motion was made by Mr. McGeehan to approve the contract as amended. The Motion was seconded by Mr. Schaidle and passed unanimously.

- c. NWLCA Agreement: The comments provided by Solicitor Gray were reviewed. Rates are still being reviewed. Any approval will be on the language of the document with the understanding that the rates are still under discussion. No agreement will be signed until the rates for purchasing and selling are established.

Ø A Motion was made by Mrs. Horst to approve the language of the agreement with the outstanding issue being the agreement on the rates. The Motion was seconded by Mr. Phillips and passed unanimously.

- d. National Wildlife: (See Administrator Report attachments.) Mr. Stoner advised the Authority that he is seeking whatever avenues are available for funding assistance and sediment trading opportunities.

1. Mr. Brown reported that the SRBC is aware of the Authority's intents.



- e. Hollinger Request: This item was approved a part of the vouchers. A portion of the invoice was paid by the Borough.
- f. Dedication Plaque: The modifications from the last presentation on the plaque were reviewed. The Authority agreed upon the changes.
- g. Cell Tower: Mr. Snavelly was approached by Verizon Wireless to put a transmitter on the new water tower in order to replace two of their cell phone towers. The Authority considered renting the space to Verizon and had discussions on whether the structure would meet Penn Township zoning and other regulations. The consensus was to move forward with exploring the opportunity. Mr. Stoner will also look into the other tanks as the towers would provide an additional revenue source to defer costs from the customers. It was agreed that no costs are to be incurred by the Authority during the investigative or construction phases.

**VIII. New Business:** No new items were presented.

**IX. Old Business:**

- a. Burt Savitz Land Opportunity: There was a driveway that provided access to our water tanks during their construction near Mr. Savitz's property. It has since been covered by lawn. Mr. Savitz is looking to purchase the vacant neighbor's lot and he really only wants half of the lot. He is willing to sell us the other portion of the lot for future access. That would provide us access to our tanks and the ability to install another tank if necessary. He is offering to sell the land for \$25,000.00. The Authority would have to go through a lot-add-on plan process thus paying \$25,000.00 plus engineering costs, etc. for an approximate 4,828 square foot lot.
  - 1. Discussion was had on the difference between market value and the value the lot would be to the Authority. If necessary, the Authority could claim eminent domain for the public good for lot access. The attorney fees and reimbursement, etc. would probably cost just as much as purchasing the lot. Mr. Stoner recommended speaking with Mr. Savitz about purchasing an easement rather than purchasing the property altogether.

**X. Adjournment:**

- Ø A Motion was made by Mr. Schaidle to adjourn at 11:10pm. The Motion was seconded by Mrs. Horst and passed unanimously.

Respectfully Submitted,

Candace L. Hoover  
Recording Secretary/ Utility Billing Administrator