

W. T. M. A.

Warwick Township Municipal Authority

Administration of Water & Wastewater

April 19, 2016

MINUTES OF THE BOARD

The meeting was called to order by Chairman Troy Clair at 7:00 P.M.

Present Were: Board Members: Troy Clair, Edward Stone, Jeffrey Tennis, and Joyce Gerhart; Administrator Daniel Zimmerman, Wendy Johnson, Carl Haws, Solicitor William Crosswell, and Consulting Engineer Steven Riley.

GUEST RECOGNITION: M. Reiner, of Sager, Swisher & Co., LLP, presented highlights from the 2015 audited Financial Statements. The auditor issued a clean opinion on the financial statements of the Authority as relates to the Business-Type Activities. An adverse opinion was issued for Fiduciary Fund-Pension Trust Fund solely based on the required financial data not being available from PA Municipal Retirement Services at the time the report was prepared. Without this information the financial statements do not present fairly the financial position of the fiduciary fund – pension trust fund of Warwick Township Municipal Authority as of December 31, 2015, or the changes in the financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Both 2015 and 2014 are shown in the Statement of Revenues, Expenses and Changes in Net Position for comparative purposes. There was an increase of about \$81,000.00 in operating revenue. There were no rate increases in 2015. Tapping fees were evaluated in July 2014 and were increased for water only. Tapping fee revenues showed the largest increase. There was a 7.7% increase in operating expenses while administrative expenses decreased by about 3%. In the Statement of Net Position, the current assets show an increase of \$210,839. Cash and receivables are reflected there. Restricted Assets represents the money that is set aside under the Trust Indentures. About \$2,400,000 in capital assets were added over the course of the year. Total liabilities decreased, and WTMA is scheduled to retire about \$1.2 million in debt during 2016. Total liabilities decreased by \$1,139,754 causing an increase in net position for the year. Both the balance sheet and statement of changes in net position are presented. There are no significant changes to the notes which include all of the significant debt information, cash and disclosures. The last section of the report is the supplemental information that provides detail to the front statements. In the supplemental information the water and sewer systems are accounted separately.

The last document is a SAS 114 letter which outlines the conclusion of the audit, summarizes audit findings and outlines pending changes. GASB Statement No. 68, which amends GASB No. 67, has a primary objective of improving accounting and financial reporting by state and local governments for pensions.

A motion was made by J. Tennis, seconded by T. Clair to accept the 2015 Fiscal Audit Report, provided that the auditor edits the pension fund related adverse opinion to include that the pension information was not available from PA Municipal Retirement Services at the time of the report. Passed unanimously.

The **MINUTES** of the March 15, 2016 meeting were unanimously approved on a motion by E. Stone, seconded by T. Clair.

The **TREASURER'S REPORT** was unanimously approved on a motion by T. Clair, seconded by J. Gerhart.

PAYMENT OF THE BILLS, in the amount of \$232,495.87, for the period from March 15, 2016 through April 19,

2016 was unanimously approved on a motion by J. Tennis, seconded by J. Gerhart. The **WATER OPERATING REQUISITION**, in the amount of \$200,000.00, for operation of the water system through May 17, 2016 was unanimously approved on a motion by T. Clair, seconded by E. Stone. \$58,000 will be transferred from the Sewer Operating Fund to General Disbursements for operation of the Sewer System through May 17, 2016.

The following **REQUISITIONS** from the **Water BR&I Fund** were unanimously approved on a motion by J. Gerhart, seconded by J. Tennis:

<u>REQ.</u>	<u>PAYEE</u>	<u>REASON</u>	<u>AMOUNT</u>
WB507	Eastern Environmental Contractors, Inc.	Rothsville Well No. 2	\$60,377.25
WB508	Entech Engineering, Inc.	Rothsville Well No. 2	\$ 924.80
WB509	Tri-Star Inc.	Rothsville Well No. 2 - Telemetry	\$21,750.00
WB510	Diehm & Sons	Rothsville Well No. 2	\$ 878.25
		Total	\$83,930.30

The following **REQUISITIONS** from the **Sewer Operating Account** were unanimously approved on a motion by J. Tennis, seconded by E. Stone:

<u>REQ.</u>	<u>PAYEE</u>	<u>REASON</u>	<u>AMOUNT</u>
S157	Entech Engineering, Inc.	Repair/Replacement Bid	\$ 2,377.27
		I & I Rehabilitation	\$ 4,158.75
S158	LNP Media Group, Inc.	Invitation to Bid Advertisement	\$ 843.28
		Total	\$ 7,379.30

ADMINISTRATOR'S REPORT

D. Zimmerman reported that water usage in the Lititz portion of the system has decreased as WTMA staff continues to monitor meters to check for leaks.

The sheriff's sale is still set for May 25, 2016 as payment on the Newport Commons account still has not been received. Contact was made by D. Zimmerman with one of the owners, and the owner stated that they are planning on making payment or suggesting an alternative payment plan. D. Zimmerman instructed them to submit any alternatives in writing to the Authority.

The last water bond payment was made on April 1, 2016 to Fulton Bank. We are waiting for certification of the final payment, and may look at alternatives for investing funds.

The next capital improvement project will be the standpipe in the north end of Warwick Township. The cost of this project will be approximately \$2-3 million.

WTMA is in the process of updating the lead and copper sampling process in response to correspondence from DEP requesting more information and noting improvements that should be made. The conversion of past building permit data in the record depository now allows for WTMA to more readily find Tier I sites for sampling. The WTMA newsletter was sent to 4,800 residents in March discussing the lead and copper issue as a whole and asking for residents to volunteer to be part of the sampling process. Five responses were received. A letter was sent to 150 residents whose homes were identified as having been built during the years (1983-1990) that copper pipes with lead solder were more prevalent. The letter outlines the sampling process and asks for a response from those who wish to participate.

WTMA received a partial refund of premium under the self-insured program through MRM for the property and casualty insurance policy.

MAINTENANCE REPORT

1. A light at the standpipe was repaired.
2. Staff televised a line at the water plant for Severn Trent.
3. The pumps from Station #5 are being re-built.
4. Water service on Warren Circle was repaired.
5. Several meter repairs were done.
6. The hydrant located behind the Target store was raised.
7. Staff mounted the flow meters at Stations #4, 11, 12, 13, and 16.
8. A vacuum hose on the chlorine injector at the well house was repaired.
9. Manholes and water valves on Rt. 401 were surveyed for the state paving project.
10. Staff surveyed Station #7 and #11 for leaking manholes.
11. An area of sewer line that Lititz Borough was having issues with on Spruce and Marion Streets was televised by WTMA staff.
12. A curb box at 29 Buttonwood Drive was repaired so the customer could turn the water off to repair a leaking valve inside the home.
13. The dusk to dawn light at Station #16 was repaired.
14. The radiator at Station #4 was pulled out, repaired, and re-installed.
15. Sewer lines were jetted at Station #10, Robin Hill, and Laurie Lane.
16. The culvert at Caruso's Restaurant in Rothsville was televised.

SOLICITOR'S REPORT

B. Crosswell reported that the letter was written for the auditor regarding the 2015 audit.

The Listrak easement agreement was recorded. This easement is for the Authority to use their well to flush and wash down Pump Station #1.

The owner of 81 W. Millport who had not connected the apartment building to the public water system was sent a third notification regarding required payment of the tapping fees. The owner did make payment of the tapping fees, but is not connecting to the system at this point. Regular billing to the property for water services will commence effective March 21, 2016.

The sheriff's sale for Newport Commons has been posted and is still scheduled for May 25, 2016.

B. Crosswell noted that there was new legislation enacted on March 25, 2016 that broadens the type of investments authorities can use. PLGIT is one of the sponsors and is hosting a webinar. D. Zimmerman noted that staff will be participating in the webinar.

ENGINEER'S REPORT

S. Riley reported that he met with WTMA and Severn Trent on April 8, 2016 to discuss standardization for the lead and copper sampling process.

The issue with the plans for the meter in the mechanical room at SDR-SSL has been resolved.

E. Woods Drive and Listrak required follow up.

The 2016 pipeline repair and replacement project signed documents were returned. A preconstruction meeting will be held on April 20, 2016 with Bottom Line Contracting, Inc. Entech Engineering, Inc. will review the scope of the project with Bottom Line Contracting and issue the notice to proceed.

SUBDIVISIONS

No reports this month.

ISSUES PENDING

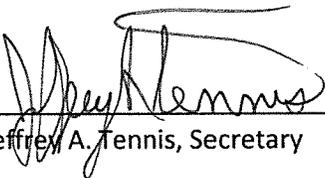
S. Riley reported that the contractor will back on the Rothsville Well No. 2 site on Thursday, April 21, 2016.

There is not a lot of work still to be done, and the goal of having the well up and running by the end of May is still on track. WTMA will run the well to get base-line samples before putting it into service. SRBC will be updated as we get closer to the target date.

Inflow & Infiltration bids ranged \$51,000 to \$124,000. The low bid by Utility Services Group (USG) was reviewed and two items of significance were found to be missing. The first was a line item that was left blank regarding the chemical manhole grouting that WTMA requires. A supplemental sheet was submitted stating hydraulic manhole grouting was going to be used. The second item of concern was USG's response to WTMA's request for the poly-urea lining system to be used. They stated that they will be providing what they normally do, which is not the poly-urea system, due to having to hire a subcontractor for poly-urea work. Poly-urea is much more pliable and initial reports show it is a very good product. We have had marginal results with the cementitious liner/epoxy coating approach. Entech Engineering, Inc. did confirm with the #2 bidder, Aqua Infrastructure Rehabilitation Co., Inc. (dba Tri State Grouting) that they will be using the poly-urea system. Entech Engineering, Inc. recommends moving forward with the second bid from Tri State Grouting since the bid from USG is considered incomplete and does not comply with the project specifications.

A motion was made by T. Clair to award the bid to Tri-State Grouting. The motion was seconded by E. Stone and passed unanimously.

As there was no further business to discuss, the meeting was **ADJOURNED** at 8:15 PM on a motion by T. Clair, seconded by J. Tennis. Passed unanimously.



Jeffrey A. Tennis, Secretary