

W. T. M. A.
Warwick Township Municipal Authority
Administration of Water & Wastewater

April 21, 2015
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, Donald Engle, 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 2014 audited Financial Statements. The auditor issued a clean opinion on the financial statements of the Authority as presented. Both 2014 and 2013 are shown in the Statement of Revenues, Expenses and Changes in Net Position for comparative purposes. There was an increase of about \$481,000.00 in operating revenue. There were no rate increases in 2014. Sewer tapping fees were evaluated in July 2014 and were increased. Tapping fee revenues showed the largest increase. There was a 2.7% increase in operating expenses while administrative expenses increased by less than 1%. M. Reiner noted that bond issuance costs are no longer amortized over the life of the issue but are expensed, with the exception of bond insurance. What that means to WTMA is that about \$100,000 of debt issuance costs were written off in 2013. A note was added to the financial statements. In the Statement of Net Position, the current assets show an increase of \$1,848,302. Cash and receivables are reflected there. Restricted Assets represents the money that is set aside under the Trust Indentures. About \$607,000 in capital assets were added over the course of the year. Total liabilities decreased, and WTMA is scheduled to retire about \$1.3 million in debt during 2015. Total liabilities decreased by \$833,000 causing an increase in net position for the year. Both the balance sheet and statement of changes in net position are presented. As of the end of 2014, WTMA has \$871,422 in assets in the pension fund. 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 T. Clair, seconded by J. Gerhart to accept the 2014 Fiscal Audit Report. Passed unanimously.

The **MINUTES** of the March 17, 2015 meeting were unanimously approved on a motion by D. Engle, seconded by J. Gerhart.

The **TREASURER'S REPORT** was unanimously approved on a motion by D. Engle, seconded by J. Gerhart.

PAYMENT OF THE BILLS, in the amount of \$250,607.93, for the period from March 17, 2015 through April 21, 2015 was unanimously approved on a motion by J. Gerhart, seconded by E. Stone.

The **WATER OPERATING REQUISITION**, in the amount of \$194,000.00, for operation of the water system through May 21, 2015 was unanimously approved on a motion by T. Clair, seconded by D. Engle.

\$62,000 will be transferred from the Sewer Operating Fund to General Disbursements for operation of the Sewer System through May 21, 2015.

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

<u>REQ.</u>	<u>PAYEE</u>	<u>REASON</u>	<u>AMOUNT</u>
WB469	Morgan, Hallgren, Crosswell & Kane, PC	Rothsville Well #2	\$1,224.00
WB470	Entech Engineering, Inc.	Rothsville Well	\$1,672.39
		Rothsville Well #2	<u>\$ 193.75</u>
		Total	\$3,090.14

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

<u>REQ.</u>	<u>PAYEE</u>	<u>REASON</u>	<u>AMOUNT</u>
S128	Entech Engineering, Inc.	Brunnerville Interceptor - Consulting	\$ 1,005.00
		USG – I & I	<u>\$45,649.38</u>
		Total	\$46,654.38

ADMINISTRATOR’S REPORT

I & I – finding small leaks which accumulates – want to do more I & I inspection including manholes. Paul Lundeen advised that there is no provision in the current indenture for borrowing funds from the sewer system for the water system. D. Zimmerman asked for approval to release bids on April 24, 2015 for Rothsville Well No. 2, with a pre-bid meeting to be held on May 6, 2015 at 10:00 a.m., and final bids in by 2:00 p.m. on May 21, 2015. Board approval was granted. A meeting between Lititz Sewer Authority and WTMA is being planned to discuss individual and joint efforts in maintaining the systems, and to provide cohesiveness for the team. Discussion ensued regarding a resident in Rothsville relating to an in-law situation and additional capacity.

MAINTENANCE REPORT

1. A fuel leak in the generator at Station #6 was repaired.
2. Martin’s Energy replaced a bad relay on the generator at Station #13.
3. The dust to dawn line at Station #11 was repaired.
4. The pump at Station #11 was pulled and a spare pump installed. The one that was pulled will be rebuilt. A new sump pump was also installed.
5. The break-away bolts were replaced on a hydrant on Green Acre Road that was hit by a vehicle.
6. Kline’s Sewer & Drain Service cleaned Station #10 and Station #18.
7. Over 13 manholes in a section of Station #3 drainage area were located and inspected along with Entech. There were 2 that showed signs of surcharging so staff will check upstream of those. There are still 8 manholes that need to be located and inspected.
8. Repaired the yard with topsoil where the Orange Street water main break occurred.
9. Continuing with day to day maintenance with the pump stations as well as the water system.

SOLICITOR’S REPORT

B. Crosswell reported that his office is working on the grinder pump agreement for the Willier Tract. D. Zimmerman and B. Sisko are working on the amendment to the agreement regarding the sewer interceptor location for Lititz Reserve.

Revisions to the Sewer & Water Rates, Rules & Regulations have been drafted and some of the updates include the Developer's use of water and, an option of as-builts being performed by WTMA and deducted from escrow, and the escrow deposit being increased to include the televising of the lines after 18 months prior to WTMA's acceptance of the lines. D. Zimmerman and S. Riley also met with B. Crosswell to discussing incorporating WTMA's standards for industrial waste with Lititz Borough's standards.

B. Crosswell asked for a motion to ratify and confirm the execution of the Memo of Understanding dated April 8, 2015 between The Warwick Township Municipal Authority and Edward H. and Susanna H. Good regarding the Good's irrigation well and Rothsville Well #2 discussed at the March 17, 2015 meeting. There was unanimous approval on a motion by D. Engle, with a second from T. Clair.

Completion of the Lititz Agreement with WTMA was noted in regard to the annual audit.

The bill of sale and maintenance guaranty documents were completed for Traditions of America, Phases 1 & 2.

The bill of sale and maintenance guaranty documents were completed for the Walter Subdivision.

C. Haws stated that in regard to the Rates, Rules and Regulations we should add having someone come in and do a leak detection before the lines are dedicated to us so we know there are no leaks.

ENGINEER'S REPORT

S. Riley attended the monthly meeting on April 2, 2015 with WTMA staff.

The finalized SRBC docket for Rothsville Well #2 was reviewed. S. Riley said the SRBC called W. Johnson wanting to set up a time to look at Rothsville Well #1 to review current permit conditions and the docket for Well #2. Final coordination for Well #2 was done, including replacement storm sewer being done by Warwick Township, and final edits to have the project ready for bid by the end of April.

The draft letter was sent for Lititz Reserve, and S. Riley is reviewing the update to the construction cost opinion for interceptor relocation work.

S Riley reviewed fire flow requirements, reviewed resubmitted plans, and sent the draft letter to WTMA for Rock Lititz Phase 1C.

SUBDIVISIONS

Walter Subdivision – The Bill of Sale and 18 Month Maintenance Guaranty were approved unanimously on a motion by E. Stone, seconded by D. Engle, contingent upon the receipt of the 18 month maintenance guaranty letter of credit.

SDR-SSL – The request for capacity of 21 sewer and 28 water edu's was approved unanimously on a motion by T. Clair, seconded by J. Gerhart. They are hoping to break ground by the end of the summer

Traditions Of America, Phases 1 & 2 – The Bill of Sale was approved with four ayes on a motion by D. Engle, seconded by E. Stone, with J. Gerhart abstaining.

ISSUES PENDING

D. Zimmerman reviewed the Rothsville Well #2 and the Wellhead Protection area plans. Phase 1 will consist of Warwick Township putting in the storm sewer line, installation of the raw water line and conduit, and the Public Works Department will do the street restoration work. Phase 2 will be the construction of the actual wellhouse. There will be a new meter installed in Well #1 to match the prototype for Well #2. SRBC wants to know how much water is being pulled out of the ground and is diligent about getting this information. D. Zimmerman received subdivision approval from the Warwick Township Board for the lot, with settlement scheduled for the end of May. D. Zimmerman suggested a Memo of Understanding between Warwick Township and WTMA for the 60 foot part of the rail-bed that will be part of the Wellhead Protection area. This was unanimously approved on a motion by E. Stone, seconded by T. Clair.

W. Johnson said the first billing went out through Muni-link and everything went smoothly. Staff is still working with Muni-link customer service to make sure reports are accurate, and we will soon be ready to offer web

portal payments.

As there was no further business to discuss, the meeting was **ADJOURNED** at 8:17 PM on a motion by J. Gerhart, seconded by D. Engel. Passed unanimously.

Jeffrey A. Tennis, Secretary