

Weaverland Valley Authority

Meeting Minutes

July 6th, 2017

The Board of the Weaverland Valley Authority (“Authority”) met at the East Earl Township building 4610 Division Hwy, East Earl, Lancaster County, Pennsylvania on July 6, 2017. Chairman Ken Witmer called the meeting to order at 6:30 p.m. and informed all present that the meeting was being recorded by a resident.

The following Board members were present: Ken Witmer, Harold Kilhefner, Jason Firestine, Scott Marburger, Randy Miller, Scot Ash & Gene Pierce. Also present were Bradford J. Harris, Good & Harris LLP; Jeff Sweater, ELA; Denise Bensing, Administrative Assistant.

MINUTES: A motion was made by Jason Firestine, seconded by Randy Miller, that the minutes of the June 5, 2017 meeting be approved as submitted. The motion carried unanimously.

PUBLIC COMMENT:

Ken announced that the public comments period will be limited to 30 minutes and each person will be given 3 minutes.

Tom McDermott, 1442 Hayfield Dr. – Are there any updates on the land acquisitions? *Brad will give an update with his report.* Did the committee decide who would own the grinder pumps and grinder tanks? *Ken explained that any new grinder pump and tank would be owned by the Authority and handled like the others in East Earl.* *Denise noted that the minutes state that the grinder pumps will be owned under the same standards as East Earl Sewer Authority.* Will there be a vote on the gravity vs. low pressure sewer in the Spring Grove/Union Grove area? *Ken explained that there will at least be discussion regarding this topic.*

DAVID BUSCH - RATE STUDY:

David Busch explained that the rate study documents distributed make the following assumptions:

1. Tapping fees were removed.
2. Depreciation was removed.
3. The grinder pumps will be owned and repaired/replaced by the Authority staff at the Authority expense.
4. The sewer plan outlined in the Act 537 Plan which was selected plus the cost of a 4 bay garage to be financed with a 20 year PennVest loan with the resulting annual debt service of \$1,129,000.
5. Debt payments for the EESA loan for the ETSA WWTP upgrades have been included.
6. Rates for 2017 and 2018 are “Revenue Neutral” reflecting the same amount of total water and sewer revenue as currently anticipated in total.
7. Surplus revenues are shown as Transfer to Capital Reserves to be used by the Authority to offset capital project funding.

Water: Mr. Busch explained that using the current rates plus inflation, he would project a surplus through the length of the rate study. Mr. Busch would recommend Scenario 1 because it is simple and encourages water conservation.

Sewer: Mr. Busch noted that since the EESA set rates to cover the upgrades, the borrowing for the upgrades has no impact on the rates. Scenario 1 Alt. was added to the rate study. This scenario spreads out the increase projected for 2021 over 3 years. The benefit of doing this is that it will generate a surplus in 2019 and 2020 which can be added to the capital reserves.

Tom McDermott, 1442 Hayfield Dr. – This is all assuming a customer has a water meter. *Mr. Busch explained that there is an amount set for a flat rate for customers who do not have a water meter. The flat rate is based on the average customer +10% to give customers incentive to install a meter and conserve water.*

It was asked if it is legal to penalize a customer who doesn't have a water meter. *Brad acknowledged that it is legal. Mr. Busch also noted that it assumes that a customer who is not metered doesn't conserve water.*

The board felt that the flat rate in Scenario 1 shows the rate to be lower than the current rate and would prefer to keep the rates at the level they are at now instead of lowering them and then increasing them at a later date. It was noted that the current East Earl Sewer Authority rates are higher because they set aside more funds for capital reserves. Mr. Busch will prepare a rate study that will produce an average \$165.00 bill.

Ken asked how these rates look compared to others. Jeff said it really depends how recent they upgrades are.

CORRESPONDENCE:

Terre Hill Borough letter – The Borough is willing to lease Bob Rissler and Zach Eshelman for water and wastewater operations and Norman Carpenter for yard maintenance. The Borough proposed leasing these employees at their hourly rate plus bona fide fringe benefits (medical, life and disability insurances; pension; holiday; vacation) and other employee benefits required by Federal and State law (employers portion of FICA/Medicare; unemployment compensation; workers compensation). If the leased employee is required to perform duties on the weekends and holidays and other emergency functions, it may result in overtime charges. It was also noted that the employees typically receive a cost of living/performance increase effective January 1st each year. Other costs may also change yearly. The Borough would like to charge the Authority for the mowing of Authority properties based on actual time spent plus an equipment fee. The current hourly rates with all benefits for each employee are as follows:

Robert Rissler -	\$53.02	OT rate	\$55.54
Zachary Eshelmen -	\$24.31	OT Rate	\$26.69
Norman Carpenter -	\$16.64	OT Rate	\$19.86
		Hourly Equipment rate	\$20

Ken pointed out that over time, Bob's involvement will be reduced. Bob will begin as the licensed operator but after Bruce receives his license, Bruce will become the licensed operator.

Joanne Gillis, Goodville – Has it been decided what personnel will be needed? *Ken explained that at this time it is kind of a moving target. Zach will be working for both the Authority and the Borough. Is there a need for 2 certified operators? Jeff would recommend 2 certified operators in case one would be off. Jeff would also expect 4-5 total operators will be needed when the system is fully operational.*

Scot Ash made a motion to accept the proposal, seconded by Harold Kilhefner. Motion carried unanimously.

ADMINISTRATIVE REPORT:

Denise reported that she received the DEP Available Operator Report and questioned if it needs to be completed and the fee paid if the Authority is not operational yet. ELA contacted DEP and DEP suggested that the Authority submit a letter explaining the current status and that the fee is not required at this time. Randy Miller made a motion to approve and sign the letter, seconded by Scott Marburger. Motion carried unanimously.

Denise also reported that when Weinhold Nickel provided the audit letters to the Authority, they did not provide the letter to the solicitor regarding if there are any pending litigations or claims. This letter needs to be signed by the Authority and provided to Brad Harris. Scott Marburger made a motion to sign the letter, seconded by Scot Ash. Motion carried unanimously. Denise reported that the auditors filed an extension but Denise would expect the audit to be complete by the end of the month.

Denise explained that during the audit she was asked if the Authority had a form that is used when money is transferred from the loan to the checking account. She showed the proposed form to the board and the board approved the form.

A bill was received after the last Authority meeting for the loan payment. The bank provided Denise with an auto withdrawal form for future payments if the board would like to handle it this way. Gene Pierce made a motion to approve using auto withdrawal for future loan payments and to sign the Authorization form, seconded by Harold Kilhefner. Motion carried unanimously.

Last, Denise gave an update on a few items. The Supervisors have not yet selected a replacement to fill Jerrene Zimmerman's position. If any board members know of anybody interested or know of any good candidates, either let Denise or the Supervisors know. The website information was provided to Shannon Seip and he is currently developing the site.

FINANCIAL REPORT:

The Financial report was read with \$29,466.28 in bills for approval.

Business Checking – Fulton Bank	\$84,626.89
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Denise noted that in relation to the Yoder's Printing bill for the mailing of the informational letter that if the Authority would have handled the mailing in house, the cost for postage would have been \$763.75 instead of \$411.43. That is a savings of \$352.32 and the total amount Yoder's charged to do the mailing was only \$728.78.

A motion was made by Harold Kilhefner to approve the financial report and pay the bills, seconded by Randy Miller. Motion carried unanimously.

ENGINEER'S REPORT:

Rules and Regulations: Operation of the grinder pumps will need to be added.

Property Acquisition: Once geotechnical testing has been completed and the preliminary storm water management design is finalized, the WWTP layout and property lines can be finalized. Brad is in communication with Conestoga Wood and their legal counsel to determine the terms of the sales agreement. Jeff noted that they are looking to do the geotechnical testing at the end of the month. The Township has offered their services. The authority needs to check if the work can be performed under the current agreements and if it can be fit into their work schedule. The Authority will need to negotiate an amount for crop damage for the WWTP site and the pump station sites. Harold Kilhefner made a motion to authorize ELA to negotiate up to \$2,500 for crop damage from geotechnical testing, seconded by Jason Firestine. Motion carried unanimously.

Bob Rissler is still working with the property owners for easements for the force main lines from the Terre Hill pump station. ELA will continue negotiations with Loren Zimmerman for the property for the Frogtown Rd. pump station.

Project Design and Permitting: ELA has completed preliminary grading for the WWTP site. Architectural work is set to begin July 8th. After geotechnical testing is complete, ELA will meet with East Earl Township and their Alternate Engineer, ARRO to review the preliminary design.

DEP has confirmed that the Authority will be required to connect the properties on Valley View Lane to the sewer system as part of the 537 Plan. The Authority will need to obtain an easement from either Mr. Dise, the owner of the farm to the north or take the land via eminent domain. It was discussed that the property owners need to be notified that they will be required to connect. The board requested that ELA work on getting an easement.

USDA Funding: USDA has confirmed that they will not provide funding for the project if the alternative with the lowest life cycle cost is not selected. Jeff feels that the Authority would be unable to prove that gravity would be cheaper.

Tom McDermott, 1442 Hayfield Dr. – If the Authority is deciding to install low pressure instead of gravity based on a loan option then the Authority should pay to install the grinder pumps. *Jeff noted that, some Authorities, if you are required to connect because of a 537 Plan, the Authority will pay to install. The original 537 Plan called for grinder pumps in Goodville with residents installing the grinder pumps and gravity was planned for Spring Grove Rd. The project cost will increase because of the Authority installing the grinder pumps in Goodville but it would decrease due to changing to low pressure for the Spring Grove area.*

The board would like the Day-to-Day committee to discuss the low pressure vs. gravity options.

Ken asked if the project is on target. Jeff noted that it is on target and they expect to submit the Land Development Plan in October. Tom McDermott offered to talk to the farmer at the end of Ironstone Dr. regarding the land acquisition. The board thanked him for the offer.

SOLICITOR'S REPORT:

Conestoga Wood Land Acquisition – Brad reported that Conestoga Wood would like the Authority to purchase the land and they will pay for their capacity with credits. Conestoga Wood is currently getting appraisals. They would also like the Authority to decommission the old treatment plant.

Terre Hill Properties – Brad distributed a letter from Terre Hill Borough regarding the properties to be transferred to the Authority. The letter listed all the properties and whether they would be fee simple transfers, easements or assignments. The reservoir property is still in question because of the Borough easement for the Hydrosort tower. Brad expects to have this resolved by next month. When asked what a fee simple transfer is Brad explained that it is basically getting the complete title.

DAY-TO-DAY COMMITTEE:

Harold reported that the committee is currently working on a job description for the part-time clerical position.

NEW BUSINESS:

Budget Committee – A budget committee will be formed which would include Denise Bensing, Bruce Crabb, Gary Martin, Jeff Sweater and a representative from Terre Hill and East Earl. Gene Pierce and Scot Ash volunteered to serve on the committee.

Gene Pierce moved to adjourn the meeting at 9:30 p.m., seconded by Scot Ash. The next meeting will be held on August 7, 2017, beginning at 6:30 p.m.

Respectfully submitted,

Denise A. Bensing

Cc: Scot Ash
Harold Kilhefner
Scott Marburger
Randy Miller
L. Eugene Pierce
Kenneth Witmer
Jason Firestine
Bradford J. Harris, Attorney
East Earl Township
Terre Hill Borough
Robert Rissler
Jeff Sweater, Consulting Engineer
Gary Martin, Becker Engineering
Frank Mincarelli, Blakinger Thomas