

Weaverland Valley Authority

Minutes of the Inaugural Meeting

April 25, 2016

The inaugural meeting of the Weaverland Valley Authority (“Authority”) was held at the East Earl Township building 4610 Division Hwy, East Earl, Lancaster County, Pennsylvania on April 25, 2016. Attorney Brad Harris called the meeting to order at 6:40 p.m.

The following Board members were present: Ken Witmer, Jerrene Zimmerman, Harold Kilhefner, Randy Miller, Gene Pierce, Scott Marburger & Scot Ash. Also present was Bradford J. Harris, Good & Harris LLP, solicitor.

Attorney Harris reviewed some of the history with the appointed board members and distributed a copy of the Municipality Authorities Act to each board member. Attorney Harris also acknowledged the work of the exploratory committee which he felt was a tremendous help in getting to this point in the process.

Jeff Sweater then discussed the Consent Order which both East Earl Township (“EET”) and Terre Hill Borough (“THB”) must abide by. He also distributed a proposed implementation schedule drafted by ELA. This schedule estimated finalizing the joint authority by July 1, 2016. Jeff foresees the Authority being operational in approximately 6 months. Following the formation of the Authority would be the initial design and then financing. Jeff noted the treatment plant is expected to be constructed and operational by 2021.

After discussing the items on the agenda, Attorney Harris entertained nominations for officers.

Chairperson – Jerrene Zimmerman nominated Ken Witmer, seconded by Harold Kilhefner. Motion carried.

Ken Witmer then presided over the meeting:

Vice-Chairperson – Gene Pierce nominated Harold Kilhefner, seconded by Scot Ash. Motion carried.

Secretary – Harold Kilhefner nominated Bob Jackson (conditional on his acceptance), seconded by Randy Miller. Motion carried.

Treasurer – Scott Marburger nominated Scot Ash, seconded by Randy Miller. Motion carried.

Assistant Secretary – Harold Kilhefner nominated Randy Miller, seconded by Jerrene Zimmerman. Motion carried.

Assistance Treasurer – Harold Kilhefner nominated Gene Pierce, seconded by Scot Ash. Motion carried.

Attorney Harris will prepare the form for the Pennsylvania Department of State to certify the officers, principal office and addresses and will send a copy of the same letter to DEP for notification that the Authority has been formed. He will also order a standard corporate seal. He suggested the board give some thought to a corporate logo and stationary.

There was discussion regarding the duties of Secretary and Treasurer which are noted in the Bylaws. Some of the board members explained that the duties listed in the bylaws are duties that have been handled by Denise Bensing for the Blue Ball Water and East Earl Sewer Authorities. Attorney Harris explained that Denise can be appointed to perform the duties. Jerrene made a motion to appoint Denise Bensing as the Administrative Assistant, seconded by Gene Pierce. Motion carried.

Attorney Harris suggested that thought should be given to public relations for the Authority. A press release for the new authority to announce its formation and the development of a website were recommended.

Attorney Harris mentioned that, initially, the most important part of the new authority process is the initial fact finding and the most complex part will be merging and integrating all the timelines, assets, debt and rules and regulations. He recommended the board or a committee meet with the existing authorities, engineers, solicitors, and other professionals to determine the existing issues and problems. The board will also need to determine all the assets, debts and contracts that will be assumed by the Authority once the assets are transferred. He noted that the exploratory committee began this process. Scot A. suggested inviting the existing authorities' engineers to attend a meeting and discuss the projects and assets of each entity. The other board members agreed, although there was concern about the cost, to having all attend. Gene Pierce made a motion to invite Gary Martin of Becker Engineering and Bob Rissler of THB to the next meeting, seconded by Scott Marburger. Motion carried.

With regard to the appeal of the 537 Plan, the plan engineers have asked DEP if the process of forming the joint authority should be put on hold due to the appeal. DEP feels the municipalities should continue to move forward in the process. Special Counsel, Marty Siegel was hired by EET and THB to handle the appeal and Attorney Harris recommended having him come before the entire board.

At the request of Attorney Harris, Gary Martin then gave a quick overview of the upgrades required at the Earl Township Sewer Authority ("ETSA") treatment plant which the East Earl Sewer Authority ("EESA") is required to pay a portion of. Gary noted that the ETSA is under a consent order similar to the consent order for EET and THB. It is expected to be advertised for bids approximately June 2016, construction is anticipated to start in September 2016 and be up and running approximately May 2018. Gary noted that a delay in this project could delay modules from being approved. This project will require the EESA to secure a loan for approximately \$2.5 million. Attorney Harris emphasized the importance of communicating with banks before securing any loans that loans will need to be assumed by WVA when assets are transferred. The desire would be for this to be able to be done for little to no additional bank charges.

Attorney Harris distributed a draft of the bylaws for the board to consider. Attorney Harris has made numerous revisions and has received requests for changes. The board discussed the revisions and the requests for changes. It was noted that once the bylaws are adopted, in order to make any subsequent changes, the board would need to be notified in writing at least ten (10) days prior to the meeting. After a discussion regarding the number of votes required to make a change to the bylaws, the board decided six (6) affirmative votes of the board members then in office should be required to change the bylaws. Jerrene expressed her concern regarding the position of manager included in the bylaws. She noted that it's not just the fact that it is another layer of management but she is also concerned with the amount of power given to the manager in the bylaws. Scot A. also noted his concern about doing due diligence in defining the role of the manager if a manager is hired in the future if the manager duties are left in. It was the consensus of the board to remove any reference to manager in the bylaws.

A few other topics discussed:

Compensation of Board Members – An amount, if anything, still needs to be discussed but the board was in agreement that if there is compensation, they are all willing to waive any compensation until after the assets are transferred.

Committees – There was discussion regarding whether standing committees are needed. BBWA and EESA have run well with only ad hoc committees and Terre Hill has had success with standing committees. It was decided that the Chairperson has the ability to create ad hoc committees as necessary and that we remove the current list of standing committees from the draft bylaws.

Public Relations – The board agreed that unless otherwise authorized, only the Chairperson shall make comments to the media including, without limitation, social media, regarding official WVA positions, policies, and other business.

Officer Resignations – The Secretary shall accept a resignation and note the day it was received.

Methods of Paying, Endorsing, Authorizing, Etc. – checks may be signed by any two Board officers or their appointed designees, if any.

Indemnification – Jerrene expressed her concern with this section. Attorney Harris explained that it is in to protect the board members. Many of the board members expressed that they want to know that they are adequately protected. If it is left in, Jerrene would like to see other wording. It was suggested to review what coverage is in place for the BBWA and the EESA to protect the board members.

Emergency Provisions – Attorney Harris explained that he added this section for the boards consideration in light of all the terrorism and similar trouble in the world today. Gene recommended consulting Bill Shirk since he is the Emergency Management Coordinator for THB and EET. Gene will contact Bill.

Meeting Schedule – The board felt it important to meet monthly due to all the work to be done. The following dates were chosen for 2016. Monday, June 6th; Thursday, July 7th; Monday, August 1st; Thursday, September 8th; Monday, October 3rd; Monday, November 7th; Monday, December 5th. Attorney Harris will take care of advertising the meeting schedule.

Gene Pierce moved to adjourn the meeting at 9:45 p.m., seconded by Randy Miller. The next meeting will be held on June 6, 2016, beginning at 6:30 p.m.

Respectfully submitted,

Denise A. Bensing

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