

EAWA WORK SESSION MEETING MINUTES
March 5, 2014 - 6:30 PM

1. CALL TO ORDER:

The EAWA Board meeting was held in the Meeting Room at 211 W. Hummelstown St. and was called to order at 6:30 P.M. by Dr. C. Dale Treese. Members present: Keith Murphy, Jeff McCloud, and Chuck Brewer. Absent: John Buch, Del Becker, and Rick Erb. Also present were George Alspach, Solicitor; Peter Lusardi, Engineer; Wayne DeVan, PWD; Mike Skelly, Manager; Grace Miller, Business Manager; and Michele Powl, Administrative Clerk. **Other Attendees:** Rich Sheidy.

2. PUBLIC COMMENT: None.

3. REPORTS:

Manager's Report: Customer Profile – Billing Rate Study – Water Utility Survey Results - Skelly referred to the report dated 2/14/14. He said he took the questions that arose from part 1 of the study and contacted 25 surrounding water utilities to complete a three part survey about structure, system, customers, rates, billing, budgets, and debt. He said the report showed the five key questions from part 1 of the study. He focused on two parts: Billing Rate and Structure. He said our billing rate that we use consists of 5 tiers. Our rates were comparable in the first three tiers (0 – 3,000 gallons, 3,001 – 25,000 gallons, and 25,001 – 49,000 gallons); however, the tiers for users of 100,000 and 1 million gallons of water show that our rates are significantly lower than those that were surveyed. Skelly mentioned that we use the Declining Block Rate, which represents about 33% of the water utilities surveyed. Skelly said the survey doesn't address the questions of what we do for large businesses vs. small businesses and if we are trying to attract new business. It does show that we are in the average with the other water utilities.

Brewer asked how many companies use over 1 million gallons of water per quarter. Skelly believed it may be 10 – 12 companies – though that could be per year. Brewer asked if 15,000 gallons per quarter is the average bill. Skelly mentioned that his family of four uses about 5,000 gallons a month or 15,000 gallons per quarter. Treese asked if we have something listed on our website regarding the national average usage of water in households. Powl said not at this time. McCloud said that item #2 on the report indicated that EAWA could increase its rates for the larger rate tiers. Treese said there is a huge difference in the rates for large users and EAWA should look at increasing the rates by about 5% to fill-in the gap. He said EAWA would give those users proper notification of rate increases. Skelly said he asked participants when their last increase was, and how much. The response from most was that they were playing catch-up with the rates. Brewer said if we are raising rates for lower use customers, then we should raise the rates for large users. Treese said that we have enough water for 20 – 25 years; however, if customers continue to waste valuable water, it may place a burden on our water supply and they may need to pay more for their water than others that conserve water. He said EAWA may need to have more discussion about an increased base rate proposal for

customers that use more water. Also, he said we need to continue to educate our customers on water conservation and our water supply.

Mutual Aid Agreement for ERSA & EAWA - Alspach discovered that EAWA is already part of a state organization that handles this. He said our agreement with ERSA is modeled after the state agreement. Also, he said the agreement is on ERSA's agenda for this month.

Action: "That the Board approve the MOU with ERSA."

Motion: J. McCloud

Second: C. Brewer

Approved

RE Pierson - Skelly said he received a phone call from the site manager of RE Pierson asking if EAWA would be interested in buying the excess water from the quarry. The Board said it was discussed previously and it would be very expensive to develop and distribute the water. Also, EAWA would have difficulties with DEP and/or SRBC. The Board said they are not interested at this time.

Revision to Personnel Manual - Skelly said the 2/25/14 memo shows the changes. He asked Mike Miller to review our manual. He mentioned the following key edits: 1. Definition for overtime pay; 2. Drug and Alcohol testing concerning CDL testing; and 3. General drug & alcohol testing policy. He suggested that Board review and discuss next month. Murphy asked how many employees have their CDL. Skelly said 4. Murphy said that all the water plant employees should have a CDL.

Asset Management - Part 2 - Skelly said the memo dated 2/24/14 focuses on the topic of water tanks that was discussed last year during the budget. He said the purpose of the memo is to look at what the next major expense will be; major refurbishment of the tanks that involves sandblasting internally/externally and repainting. Skelly mentioned that the two older tanks were completed in 2008/2009 and should be refurbished again in 2020, which would be within the range of 10 – 15 years that his findings show from the memo. W. Ridge and Rockwood (completed in 2011) would need to be done next. He said Lusardi has received a quote for an interim inspection of \$2,500 - \$3,000 per tank and Haldeman has two quotes pending. Skelly said the key point is to know how much money EAWA needs to set aside from the Capital fund. He said after talking to Lusardi and Utility Services, he is figuring that we may need approximately \$200K per tank. If we do an annual maintenance contract, we would be looking at \$1.2 million or \$122,000 per year. Skelly said between the tanks and water mains, the \$1.6 million in our Capital fund from our CRIM account would be spent over the next 10 – 15 years.

Treese said there were two items that we were debating: Should we earmark the money for the tanks or set aside a specified dollar amount each year and do we want a contract or bid for the tanks? Murphy said we discussed previously that we would not do a contract. He said we would set money aside each year instead of contracting a company; the contracted company could go out of business. Skelly noted that interim inspections should be done every 5 – 7 years and plan for a major overhaul every 15 years. Lusardi said you may not need the major overhaul until year 20 depending on the findings of the inspections.

Treese mentioned the mixer for the Rockwood tank and asked if we are placing them in all of our tanks. Skelly said we budgeted for one to be placed in the Rockwood tank and thinks Haldeman would like to place them in all the tanks. Treese asked if it would be done with an interim inspection or a major overhaul. Lusardi said it would make more sense to install them when a major overhaul is being completed. Lusardi said the mixer is needed if there is a problem with the distribution of water, which causes the water to stagnate and the chlorine breaks down. Lusardi said he thinks there needs to be some justification to show that there is a problem with the chlorine levels before you spend the money to install the other mixers. He said he knows Haldeman was having a problem with the Rockwood tank, but he would discuss the others with Haldeman. Skelly said the cost to add the mixers to the other three tanks would be approximately \$100K.

Treese and Murphy agreed that EAWA should do the interim inspections every 5 – 7 years on all four tanks so that a schedule can be created for maintenance to provide the best water possible. Brewer said he would like to see a 10, 15, 20, and 30 year plan in a spreadsheet form. Treese suggested that interim inspections be completed within the next four months to assist in budgeting. Board determined that two more items should be added to EAWA's asset management plan: meters (software / billing) and other facilities (well houses). Treese said once these are completed, we will have a complete picture.

Wetzel and Hoffer Wells - Skelly mentioned that he heard back from Wetzel and Hoffer. They will be attending the WS meeting in April. He said MJT may be changing the zoning on those properties.

Operations Manager's Report: Haldeman could not attend the meeting due to a family emergency; however, the report was distributed to the Board members for their review.

Public Works Director's and Engineer's Report: None.

4. **UNFINISHED BUSINESS:** None.
5. **NEW BUSINESS:** None.
6. **BOARD MEMBER'S COMMENTS:** Murphy asked about the wiring for the well houses. Skelly said we will have to ask Haldeman about it. Brewer mentioned that he has not heard anything about the SRBC lately. Skelly thought the topic of the SRBC might be brought up, so he had contacted S. Fisher. Fisher said he should have the SRBC report finished soon, and that the figures don't seem that bad. Things are on hold for now with MJBA.
7. **EXECUTIVE SESSION:** None.
8. **ADJOURN: 7:55 PM**

Action: “That the Board adjourn the work session meeting.”

Motion: K. Murphy

Second: J. McCloud

Approved

Respectfully submitted,

M. Skelly, Authority Manager

Approved at 4/14/14 Meeting