

EAWA WORK SESSION MEETING MINUTES
April 2, 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, John Buch, Del Becker, Jeff McCloud, and Chuck Brewer. Absent: Rick Erb. Also present were George Alspach, Solicitor; Peter Lusardi, Engineer; Wayne DeVan, PWD; Gene Haldeman, Operations Manager; Mike Skelly, Manager; Grace Miller, Business Manager; and Michele Powl, Administrative Clerk. **Other Attendees:** E. Stehman, M. Hoffer Sr., M. Hoffer Jr., Jack Reider, and Rich Sheidy.

2. PUBLIC COMMENT: None.

3. REPORTS: Manager's Report: Presentation by Trout, Ebersole, & Groff of '13 Audit – Skelly introduced Emily Stehman to the Board to present the audit. She said the audit went well and EAWA received a clean opinion. She mentioned the following items: (1) Revenue fund was down 6% due to less consumption; (2) MJT billing was up 11%; (3) Operating expenses were up 4%; (4) 2007 bonds were paid off; and (5) \$86K was transferred to the Capital Reserve fund, \$25K to the meter fund, and \$25K to the vehicle fund; (6) Several funds have zero balances; (7) Water operating fund and capital reserve fund showed increases; and (8) EAWA's net position increased. She said 2 letters were included in the packet – management letter and management recommendations letter. The recommendations for management are to continue with meter replacements and reduce the number of funds that have low activity to decrease time spent on bookkeeping. Emily thanked Skelly and staff for their work. Treese advised Emily that the Board has taken action on reducing the number of funds. Skelly said that as of today, there are 3 less funds.

Action: “That the Board accept the 2013 Audit, and distribute required summaries to DCED and associated municipalities.”

Motion: K. Murphy **Second:** J. Buch **Approved**

Wetzel and Hoffer MJT test wells - Skelly said MJTA had three test wells and two/three observation wells installed on the Wetzel and Hoffer tracts of land. He mentioned that Haldeman and he visited the properties to see if the wells were secured. He said the property owners are here tonight to find out what will be happening with the wells. Lusardi said we were waiting to hear back from the SRBC. He said at this time, we have plenty of water and if the wells are drawn from the same watershed, the SRBC is not likely to permit. Haldeman said there are four municipal wells in the same area. Treese said the SRBC has made it very difficult for us within the last few years and the costs are very expensive.

Hoffer mentioned that the casings are four ft. high and are not marked, which could be hazardous for farming equipment or a snow mobile. Haldeman said the wells could be capped and covered to avoid pollution to the water. Lusardi said the SRBC

may want them covered so they are not open wells. Becker said we should abandon the wells. Murphy suggested that Fisher be present at the 4/14/14 meeting to inform the Board of his findings of the wells. Lusardi said he would contact Fisher about attending the meeting on 4/14/14. Murphy asked if EAWA has insurance on the wells. Alspach said EAWA has general liability insurance and an umbrella policy. Reider asked if something could be placed in writing stating that Hoffer and he are not at risk. Treese said we should be able to provide. Hoffer wanted to know what happens if the property is sold. Skelly said we would find out and advise them of the findings. Brewer mentioned that MJT will be changing the zoning of the land to R2. Lusardi said Skelly and he will discuss because they based the water projection for the current zoning.

Q2 Billing Summary - Skelly said handout was provided as information for the Board.

Resolution 2014-2 - Borough and WDT rate increase - Skelly said it was discussed last fall with regards to harmonizing the MJT rates that a rate increase would be implemented for the June billing for the Bor. and WDT. Skelly prepared a draft resolution for the Board to consider. Skelly noted that the items that contributed to the decision for the rate increase were discussions we had, rates with MJT, and the Customer Service Study and Utility Survey. He said he created a 6th tier which was modeled after the MJT rates (instead of the existing tier being 49,001 to 5,000,000, it would be broken down to 49K to 100K, and 100,001 – 5,000,000). He sensed from the Board that an increase was needed for the larger users because the lower tiers were already hit with a rate increase when the larger users were not affected. He mentioned that more information was listed on the memo dated 3/25/14 that he prepared. The increase would be approx. \$90 / quarter for users over 100K. Buch said it could have a negative impact on bringing larger users to area if we raise the rates too high. Treese said this increase for the Borough and WDT would equalize the rates between the two districts into one and by 2016 MJT's rates would be at the same rates as the Borough and WDT; all three districts would be paying the same rates. He said this makes it easier to track the users with the different tiers and assist in balancing the rates between the residential and commercial customers instead of the residential customers being burdened with the rate increases. The Board asked staff to put the rate increase notice for Borough and WDT on the website and the June bill to advise the customers of the change.

Action: "That the Board approve Resolution #2014-2."

Motion: K. Murphy

Second: D. Becker

Approved

Opposed: J. Buch

Draft Well Testing Results for SRBC – Skelly said S. Fisher completed the report and provided a copy. He mentioned that EAWA is looking at a reduction of 31% and when Well #5 is to be permitted again that we will probably see another reduction. Lusardi said EAWA has been using less water than the permitted use. He said the well pumps are too shallow and could be lowered to get more production. Haldeman said we would need to add pipe to lower the pumps. Murphy said it could be done when the wells are rehabbed. Haldeman replied yes or anytime. Treese asked if

the pumps will be able to handle more production. Haldeman said yes. Lusardi said EAWA really isn't losing anything. Haldeman agreed and said the loss is on paper not at the wells. Board elected to have Fisher explain the report at the 4/14/14 meeting before making a motion to approve the report.

Stoneybrook Subdivision Phase 1B – Skelly said the developer revised the plan and Lusardi and he have reviewed the new plans. Lusardi said the plans are fine with the exception of the loop that we require. Skelly said the developer is asking to postpone the loop until a later phase. Haldeman said the revised plan would reduce two dead end lines down to one, which would save the developer \$100K (1,400 ft. of pipe). Brewer and Treese agreed that EAWA should have documentation for our records so the loop is not overlooked in the future. Lusardi advised the Board that he will send a letter to the developer requiring that the loop be installed in the next phase and will provide a copy to EAWA for their records.

Operations Manager's Report: Haldeman will distribute report at 4/14/14 meeting.

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

- 4. UNFINISHED BUSINESS: Personnel Manual revisions** – Skelly said that in addition to the revisions from the memo dated 2/25/14, he would like to add the bid limits to the manual and request that the amount of \$1K that the manager can spend be increased to \$4K without Board approval. Board discussed and decided that \$1K can be spent by the manager without approval, but anything between \$1K and \$4K would need to have the approval of the Chair or the Vice Chair.

Action: “That the Board approve the proposed edits to the EAWA Personnel Manual, as of 4/2/14.”

Motion: K. Murphy **Second:** J. Buch **Approved**

- 5. NEW BUSINESS:** None.

- 6. BOARD MEMBER'S COMMENTS:** None.

- 7. EXECUTIVE SESSION:** None.

- 8. ADJOURN: 8:23 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 5/12/14 Meeting