

EAWA SPECIAL BOARD MEETING MINUTES
September 26, 2015 - 8:00 AM

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 8 am by Dr. C. Dale Treese. Members present: John Buch, Del Becker, Jeff McCloud and Chuck Brewer. Also present were M. Skelly, Authority Manager; G. Haldeman, Operations Manager. Other Attendees: None. Absent: Keith Murphy, Rick Erb.

2. PUBLIC COMMENT: None.

3. REPORTS:

Treese noted that Legal ad appeared in 9/10 Elizabethtown Advocate. Skelly directed Board attention to recent August Revenue & Expenditure Report from 9/14 meeting. He also noted and displayed, on overhead, that the 2013 – 2015 Actual Monthly Income & Expenses Operating Fund, and 2014 & 2015 Monthly Bank Statements, indicates that we are doing well financially, and based on recent SEPT billing, we should be on target for budget. In JAN. we transferred \$1.5 million into Capital Fund, and we are maintaining a decent Operating Reserve.

Skelly went onto discuss 2015 accomplishments and 2015 - 2018 Goals. As he did not want to discuss item-by-item in detail he asked Board if there were any questions? There were none. He asked what are the Board's main 2016 ideas / projects that we should pursue? He put into context what we have done so far with asset management, and how to best deal with our investments. He indicated that aside from considering any major infrastructure projects, he indicated that there will be many minor, staff related projects. One larger project could be the Energy – Electrical Audit.

Treese asked Gene about Operational goals and his ideas? Gene said wells are good – no major work is anticipated. Market St. will be resurfaced (College – Cedar St.), but again he thinks these mains are OK, and this was confirmed by Lusardi's analysis. Brewer asked about low pressure? Gene said he is not observing major issues due to our mains / tanks due to past upgrades. Well pumps have a 5-7 year life cycle.

Treese emphasized the need for EAWA to think about being proactive and not stagnating. Haldeman and Skelly we provided this outlook in our 10-year Capital Budget / Fund forecast. McCloud was asking about PALL membranes? Gene said we should get at least 10 more years from them. He also said that we likely have another year to replace older manual meters. Treese asked about preference for line extensions? Brewer was asking about any need to loop certain areas? Gene said maybe along Mills St. and Old English Ln. It was generally concluded that unless we pick a proposed extension there is not really any major infrastructure improvements expected for 2016. Board discussed need to ensure we do have municipal commitment ahead of time for mandatory connections. Becker suggested for Lusardi to do initial "desktop analysis" of a few of these line extensions. Board generally agreed.

Discussion occurred on experience / status with SRBC re-permitting. Becker asked how potential network expansions would be viewed by SRBC? Skelly said it would likely make more sense to treat these as bulk customers (if possible) to avoid the negative experiences we felt through merger (e.g. Bailey MHP, Bainbridge). Steve Fisher needs to get back to EAWA with Rheems testing / re-permitting estimate. Maybe stormwater management has some

opportunity? McCloud indicated how would municipalities be impacted? More discussion occurred, but no definite action by Board, except for us to potentially look at this for longer term (post 2016).

Board talked about Customer Service tracking Memo RE customer calls / complaints, which they felt was a worthwhile activity. This would be a 1-year trial building upon work already underway with improving communication / trouble-shooting of issues handled by both the Admin. And Operations Sections. Gene said sometimes these calls are primarily related to home / business specific concerns. Board supported this project as described. Skelly talked about 2016 projects - that aside from possible line extensions, most of 2016 projects are not 6-figure projects and primarily relate to improving staff / in-house efficiencies. The only exception may be upgrading billing software by 2017-2019. Brewer asked for clarification on number of calls. Treese said this could be used as a tool for pin-pointing issues.

Discussion moved to Energy Audit from prior Aug. Memo. Could impact how we / staff operate our TP, storage tank and distribution system, including non-revenue / unaccounted for water loss. Becker said that even identifying a 5-7% reduction would be a decent savings. Board and staff exchanged ideas on emerging technologies, but generally had general support. They wanted Lusardi and staff to prepare initial investigation and back to Board. Skelly also brought-up related use of solar panels on TP roof. Becker said we should be careful of how vendors may bundle this project with other services we may not need.

Treese asked about Succession Plan. Skelly noted executive summary that was included in Agenda Memo. We have two good internal candidates, each with their own level of interest and competencies that they can offer. Skelly will have full report and likely budget estimates in the next 2-4 weeks, which is based on the training they will need over next 2-3 years. Skelly gave brief overview of ongoing Benchmarking and Metris. No action necessary.

Treese asked what to do with Capital Fund? Brewer said interest rates are terrible. We'll likely will continue with CRIM and Fulton Savings account - which we have \$3.8 million (end of Aug). Next 2-weeks Board will see our SEP Profit & Loss Report Operating Fund status. Treese said over next few months we should have initial results from major projects. Gene mentioned we will do paving of Office parking lot. Treese said we have made progress on micro-management, and Board is pleased with staffs' oversight.

Treese asked about rates. Skelly said we will do final / 4th Mt. Joy Twp rate increase very soon for DEC. billing. However, he would like to explore potential to do minor increase for our highest rate tier for the Borough. Skelly said he has some initial impressions, but he does not have all the facts. Buch said Mars has had a long history with Borough / surrounding community. Board had some concerns, but will let Skelly make a presentation for 10/7 Board meeting on reasons for possible increase. Brewer said he would not like to see any increase beyond MJT harmonization due to balance in our Capital Fund, and recent discussions on looking for future line extensions. He was concerned about isolating one particular customer. Treese talked about need for maintaining reserves. McCloud asked for impact on how we may grow and impact of new customers on increasing revenues. Becker said our biggest asset is the College.

Healthcare rate premiums will be known by our 10/12 meeting, but will likely be increasing around 10%. Board appreciated new option for ACH payment.

ADJOURN: 11:30 AM

Action: "That the Board adjourns this meeting."
Motion: J. Buch **Second:** C. Brewer **Approved**

Respectfully submitted,

M. Skelly, Authority Manager

Approved at 10/12/15 Meeting