

**EAWA WORK SESSION MEETING MINUTES**  
**November 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, John Buch, Jeff McCloud, Chuck Brewer, Del Becker, and Rick Erb. Also present were George Alspach, Solicitor; Mike Skelly, Authority Manager; Gene Haldeman, Operations Manager; Pete Lusardi, Engineer; Wayne DeVan, PWD; Grace Miller, Business Manager and Michele Powl, Admin Clerk. **Other Attendees:** Rich Sheidy.

**2. PUBLIC COMMENT:** None.

**3. REPORTS:**

**Manager's Report: EAWA's 10 year anniversary** - Skelly mentioned that next year will be EAWA's 10 year anniversary. He said as part of the marketing plan for 2015, the Board may want to host an event that can be discussed tonight or at the 11/10/14 meeting. Powl added that she has some ideas that she would like to share with the Board. Board will discuss at the 11/10/14 meeting.

**1<sup>st</sup> Draft Review of 2015 Operating Budget** - Skelly said the Board received a revised draft copy of the Operating Budget dated 10/24/14. He said the Board asked for the officer remuneration and how we identify the main capital items such as the meter replacement, the need for a new vehicle and the telemetry project for 2015. Treese asked if the figures on the 10/24/14 draft are what we are starting out with. Skelly said yes. After adding the September figures, he wanted to focus on the revenues for the Borough because he believes consumption and revenues will be decreasing over the next couple of years due to demographics, economy, and slow growth of developments.

Brewer noticed Item #428.433 Reservoir Maintenance & Repair went from \$1,000 for 2014 budget to \$7,000 for 2015 budget. Gene said the increase is to purchase stone to prevent erosion along the reservoir bank. Skelly mentioned he increased the amounts for gas and electric for 2015.

Treese noted that an ongoing concern is that the water revenues will plateau. He said we have been putting a lot of thought and work into avoiding that occurrence and will continue to monitor in the future. Skelly stated there was a discussion with our auditor's back in April about reducing the number of funds (which we have done) and have one large Capital fund. He said he would like to do some major structural changes as to how we operate. The intent is to move away from a sizeable Operating Reserve and determine what would be an appropriate amount. He stated that the Operating Budget shows the Operating Fund Reserve Target of close to \$2.9 million. By the end of the year, after we pay the debt coverage and other items, it will be around \$2.5 million. Skelly said we should keep a reasonable amount in our money market account instead of a large amount because we are not receiving

any interest on it. He said he had a discussion with Chris Gibbons earlier in the week and the amount should be enough to cover expenses for 90 days. He is recommending that the Operating Fund reserve amount be increased from 20% to 25% (\$735K to \$750K). The intent is to take that other amount and put it towards Capital (shown on the Capital budget on Monday) to invest in one of our CRIM accounts to get a better interest rate.

Skelly requested the following changes to the budget:

- Item #429.240 Gen. Expense, Waste Mgmt. Tax - \$14,000 to \$15,000;
- Item #429.741 Computer Support & Maintenance - \$17,000 to \$17,500.

Haldeman requested the following change to the budget:

- Item #428.435 WT Plant – Maintenance & Repairs - \$10,000 to \$20,500 (delay blacktop for parking lot to spring 2015).

Brewer questioned the 2014 Budget amount of \$56,500 for Item #428.435. Haldeman noted that the difference in the budget was because the heating was not completed. He said he was waiting to hear back from Eric at UGI regarding the revised costs and Eric never responded to any of our phone calls. Haldeman said he does not feel it is necessary to install gas heat in the plant because of the cost. He believes that what we have now is adequate to heat the old treatment plant.

Treese mentioned Item #427.433 Wells – Maintenance & Repairs was budgeted for \$163,000 for 2014 and now, it is budgeted for \$76,500 for 2015. Haldeman said well #3 went down while he was on vacation and had to be repaired. He said as previously discussed this year, well #5 will be rehabbed this year and wells #8 and #9 will be completed next year. Brewer questioned the large difference in Item #428.840 and asked what items were included in the 2014 budget. Haldeman and Skelly thought it had to do with the SRBC. Skelly will provide an email to the Board with the items that Haldeman had budgeted for 2014. McCloud referred to Item #428.371 Chemicals regarding the amount being \$50,000 less than what we budgeted for this year and less than what we spent in 2013. Haldeman said he eliminated the use of del-pac (not needed with our membrane system) and the reservoir has not required as much treatment this year (varies year to year). Brewer commented on Item #428.240 General Expense. He said we have \$14,000 budgeted but we have not gone above \$6,000 in the past years. Haldeman said it is for unexpected expenses. Treese asked Skelly if the amount for Item #429.840 Special Admin. Projects/SRBC needs to be increased. Skelly said no. If there are any expenses for the SRBC, it will be taken from the Capital Budget. The \$5,000 is budgeted for the rain barrel project, which we are applying for a grant to assist with the project. If awarded the grant, we may not need the money until 2016. Treese asked about the transfer into the Capital account. Skelly said he does not feel comfortable transferring any money into a separate account until the Board reviews the Capital Budget. Brewer asked about Item #429.460 Training and Seminars being increased to \$10,000. Skelly said the amount covers succession planning, team building and general training for staff. Treese stated that Board will review budget on Monday.

**New Rates - Resolution to Increase Mt. Joy Township Rates** - Skelly stated that the rate increase is part of the plan to harmonize the rates for all three districts. He said MJT will have one more rate increase in 2015 and the rates will be equal for the three districts.

**Action:** "That the Board approves Resolution #2014-6 amending MJT water rates (WR4), effective December 2014."

**Motion:** K. Murphy                      **Second:** D. Becker                      **Approved**

**Officer Remuneration Resolution -**

**Action:** "That the Board approves Resolution #2014-7 amending Board Officer Pay, effective January 2015."

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

**CRIM Accounts** - Skelly said attachment was provided to the Board as information.

**323 W. High St.** - Skelly stated that he was contacted by the property owner to see if EAWA or White Oak Mills would be interested in purchasing their property. Skelly didn't want to contact the manager at White Oak Mills about the property until he discussed with the Board. He didn't think that EAWA had a need for the property unless it would be easier to maneuver the larger vehicles back to the plant. Haldeman said the deliveries are made to W. Hummelstown St. and he doesn't see a need to purchase the property. Board agreed that they are not interested in the property. Skelly said he will contact the property owner and the manager at White Oak Mills. Murphy asked if we still have access to the back of the property from Hollinger Lane. Haldeman said yes but he will contact the manager at Brittany's Hope to confirm since they will be installing a gate across the lane.

**Cornwall Quarry** - Skelly noted that the SRBC informed Lebanon Water Authority that they did not get funding. The Lebanon Water Authority Manager would still like to have further discussions with what they may need.

**Operations Manager's Report:** Haldeman said he spoke to Hoffer and Reider about the timing of closing the wells and contacted Myers Drilling. They started working yesterday. Hoffer decided to keep the one larger well open that has a cast iron locking cap. Myers Drilling will be replacing it with a new steel locking cap that is more secure. Haldeman said three of the four wells have been filled with stone. The next step will be to dig the wells down five feet, cut them off, grout them, cap them and cover them up. Once the corn has been cut down, Myers will finish the work on the last well. Murphy asked how much it will cost for the steel locking cap. Haldeman said approximately \$300 - \$400. Murphy asked who should pay for it – EAWA or Hoffer. Skelly said he feels that we should pay for it because if there is any issue with contamination, we can say that we handled it properly. Alspach said he will be sending closing letters to Hoffer and Reider.

Haldeman said he contacted Gene Oldham, WDT about the 22 valves that they had blacktopped over and asked if they could bring them back to the surface. Oldham said he would contact his Road Department to take care of the problem. Haldeman

said he will wait a week or two before checking that the work has been completed by WDT. Murphy asked how many operators have their CDL. Haldeman said everyone except Mitch and Steve. Mitch is working on obtaining his CDL.

**Public Works Director's Report:** None.

**Engineer's Report:** None.

4. **UNFINISHED BUSINESS:** None.

5. **NEW BUSINESS:** None.

6. **BOARD MEMBER'S COMMENTS:** Murphy mentioned that a plaque was to be installed when EAWA was formed for the Board members that served at that time and when the building was built. He said this was never done and thought we should follow through with it. McCloud mentioned that Moo-Duck Brewery is now open across from the train station and they have a sign stating that the source of their water comes from EAWA and the Conewago Creek. He thought that was great. Powl added that the brewery will be donating money from select beers to the Tri-County Conewago Creek Initiative and the leftover grains to a local farmer.

7. **EXECUTIVE SESSION:** Met for a brief time to discuss Personnel matters.

8. **ADJOURN: 7:47 PM**

**Action:** "That the Board adjourns the work session meeting."

**Motion:** K. Murphy

**Second:** J. McCloud

**Approved**

Respectfully submitted,

M. Skelly, Authority Manager

***Approved at 12/8/14 Meeting***