

EAWA BOARD MEETING MINUTES
June 8, 2015 - 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, Rick Erb, Del Becker, Jeff McCloud and Chuck Brewer. Also present were George Alspach, Solicitor; Mike Skelly, Authority Manager; and Michele Powl, Administrative Clerk. **Other Attendees:** Chris Gibbons.

2. PLEDGE OF ALLEGIANCE TO THE FLAG:

3. PUBLIC COMMENT: None.

4. APPROVAL OF PREVIOUS MINUTES:

Action: “That the Board approves the WS Meeting Minutes of 5/6/15 and the regular Board Meeting Minutes of 5/11/15, as presented.”

Motion: C. Brewer **Second:** D. Becker **Approved**

5. REPORTS:

Manager’s Report: 10 Year Anniversary Event - Powl provided a slide show of pictures from the event. She said there were about 100 people with staff included. Treese said the event went extremely well, it was a beautiful day, and staff did a great job. Skelly mentioned that Dennis Stuckey, County Commissioner was very interested in EAWA’s success with regionalization. Skelly said the County Commissioners have a regional meeting every quarter and this quarter they are meeting at West Donegal Township on Wednesday at 7 p.m. Skelly noted that Stuckey would like to have a few of EAWA’s Board members attend the meeting to accept a commendation to recognize what we did to achieve and promote regionalization. Skelly will attend the meeting along with Brewer and Murphy.

Asset Management - Capital Planning - Skelly said the purpose of this exercise is to decide how to best invest EAWA’s money over the next 5 – 10 years while planning for future needs over the next 10 – 15 years. Skelly said he met with Fulton Bank (CRIM) and Chris Gibbons for recommendations on how to move forward with investments. Skelly distributed a handout to the Board with Fulton Bank’s investment recommendations and turned the meeting over to Gibbons. Gibbons said as part of the 2007 bond reissue in 2012 (saved several thousand dollars) it was suggested by Standard & Poor’s Corporation (credit rating agency) that EAWA undertake a process to further integrate its financial operations into a more long-term approach. Gibbons said there was a focus on the Authority to use those tools to look at the Operating and Capital Budgets. Gibbons said Skelly and he worked on both the Operating and Capital Budgets with emphasis on a 10 year Capital Budget with the intent of creating reserves and using the reserves toward paying for long term capital projects. Gibbons noted that the assumptions used

were conservative to produce cash flows and provide EAWA with the opportunity to use the rate base to undertake the Capital projects rather than borrow. He mentioned that he doesn't know many authorities that have done what EAWA is doing with the 5 year projection for the Operating Budget. Gibbons said the 2015 Operating Budget does not call for a rate increase, except as part of the Mount Joy Township rate harmonization. Gibbons mentioned that part of the exercise was to establish financial matrices which would provide the Board with a snapshot of the financial condition of the Authority. The suggested matrices are: 1) Debt service coverage ratio; 2) liquidity position; 3) operating ratio; 4) top ten customers; 5) debt to plant ratio. Gibbons said Skelly mentioned that they met with Fulton Bank (CRIM) to discuss investing the cash flows to make some kind of return. Gibbons stated that there is no rate of return right now and he suggests revisiting the cash flows in 6 months. He recommends not investing for more than 3 years versus Fulton Bank recommends investing for 3 – 5 years. Skelly mentioned that Gibbons and he will be exploring investment options for EAWA's money. Gibbons noted that Alspach will be looking at the restrictions. Alspach said EAWA needs to use the money to pay down debt. Skelly said there are consequences where EAWA gets hit with a penalty to pay debt early so he was looking for alternatives. Board discussed different options to invest EAWA's money and will review items throughout July – September.

- a. **Operations Manager's Report:** Treese asked Skelly to check with Haldeman if Well #7 was still non-operational.
- b. **Public Works Director's Report:** None.
- c. **Engineer's Report:** None.
- d. **Financial Reports:**
 - i. Copies of Paid Bills statement (5/21/15) distributed with package (\$45,250.84 for balance).
 - ii. Statement of Revenues & Expenditures for period of MAY YTD, distributed with package. Income: \$2,264,666.87 (inc. fund balance), Expenditures: \$1,130,531.07 (inc. debt principal & interest);

Action: "That the Board accept the MAY Statement of Revenues & Expenditures (Actual vs. Budget)."

Motion: J. Buch **Second:** J. McCloud **Approved**

- 6. **UNFINISHED BUSINESS:** None.
- 7. **NEW BUSINESS:** None.
- 8. **BILLS PAYABLE:** Refer to Unpaid Report;

Action: "That the Board pay bills listed on statement of Unpaid Bills Detail (6/8/15), totaling \$33,298.64."

Motion: J. McCloud **Second:** C. Brewer **Approved**

Skelly provided the Board with copies of the monthly profit and loss and bank statements.

- 9. BOARD MEMBER'S REMARKS:** Treese mentioned that Jake Olweiler (Conoy Crossing) attended the Borough Council meeting with Todd, DC Gohn, to offer an extension for sequencing the phasing. Treese said Borough Planning Commission gave conditional approval and Dc Gohn was looking to have everything signed off on. Treese said it may be listed on Borough's agenda for Thursday night. Skelly said the plan still needs to come back to EAWA for approval and EAWA will need to sign off on Phase 2B and will need to decide with the regards to the impact of our expectations for the sequence. Murphy thanked Powl, Skelly and staff for doing a great job with the 10 year anniversary celebration. Treese mentioned the citation from Dave Hickernell looks great and Board decided it should be framed and hung in the lobby.

10. EXECUTIVE SESSION: None.

11. ADJOURN: 7:37 PM

Action: "That the Board adjourns the regular meeting."

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

Respectfully submitted,

M. Skelly, Authority Manager

Approved at 7/13/15 Meeting