

EAWA BOARD MEETING MINUTES
August 14, 2017 - 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; Rich Sheidy, Jeff McCloud, Keith Murphy, Chuck Brewer and Rick Erb. Also present were George Alspach, Solicitor; Del Becker, Authority Manager; Gene Haldeman, Operations Manager; and Michele Powl, Business Manager. Members of public: none present.

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 7/5/17 and Board Minutes of 7/10/17, as presented."

Motion: K. Murphy **Second:** R. Sheidy **Approved**

5. REPORTS:

a. Manager's Report:

Ironstone Ranch Connection Break - Becker stated that when Ironstone Ranch was making the connection their contractor hit one of our water lines. Becker noted the Contractor was going to bore underneath Market St. from the South side at our direction to the North side and in the process of doing that, encountered one of our older water mains that wasn't located. We had conducted test pits with the Contractor and gave the greenlight to go ahead and drill. As a result, the Contractor submitted an invoice for additional costs incurred to us as a claim for hitting a utility that wasn't marked properly. Becker noted that our insurance company was contacted and this item is not insurable. Becker discussed the invoice with the Contractor and he agreed to the amount of the claim by \$1,000.00. Becker recommended approval of the payment. Ironstone Ranch is connected and running on public water.

Action: "That the Board approves payment to DH Funk & Sons LLC in the amount of \$5,676.50."

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

Rate Tier Adjustment Report - Becker noted he asked Powl to distribute to the Board at the last meeting in his absence. He mentioned Mars had approached us about purchasing additional water for their cooling tower. Becker stated that prior to agreeing to granting the request, it was important to understand what the impact on the cost of that water. Becker created a memo with discussion on the current

rate structure. Current revenue for EAWA is \$7.85 per 1,000 gallons and the full cost is \$6.07 per 1000 gallons. EAWA has a decreasing block structure – the more water consumed by a customer, the less it costs on a per gallon basis.

Alspach indicated Becker is proposing a potential revision of the rate tiers and under full cost recovery makes more sense to eliminate Tier 6. Becker noted Mars had mentioned they consumed much more water in past years. Erb asked if we cap the rate and bill for additional EDU's. EAWA would discuss closure on the private well with Mars. Treese noted EAWA should be able to quantify the rates. Becker indicated a first step in rate migration would potentially be eliminating Tier 6. Becker indicated he is looking for direction from the Board. Treese suggested to eliminate Tier 6 and look at the multipliers. Becker stated he is looking at the budget for next year. He mentioned that topics to be discussed at the September meeting would be rates, the budget and future debt load. Becker indicated that revision of the rate structure was contemplated before the Mars request. Board agreed that customers had no increase for a year. Becker mentioned the 2012 loan payment spikes up in 2019; by approximately \$200,000. After further discussion, the Board agreed to advise Mars that EAWA would not require a capacity agreement; however, the water consumed by the cooling tower would be at the Tier 5 rate and EAWA will be restructuring the rates. Tier 6 will be eliminated in 2018. Becker stated he will have the first draft of the rate study and the budget for the September budget meeting.

September Preliminary Budget Meeting Date - Becker reminded the Board that the meeting will be held on September 23. He mentioned that the topics were discussed earlier.

Lancaster Newspaper Article regarding Water Safety - Becker stated there was an article published in the paper last Friday. The Environmental Working Group put out a new database, which was picked up by the National Press and the Lancaster Newspaper. Becker mentioned he received an email from the Lancaster paper and provided a response. He advised the reporter that EAWA has safe water and it meets all state and federal standards. Becker noted this Environmental Working Group is using health guidelines that are not regulatory in nature and may or may not prove to be in the future what the actual regulated amount of contaminant is. It will need to be determined by the EPA, which is likely years away. Becker noted he informed the newspaper that EAWA goes above and beyond what utilities typically do by our participation in the Safe Water Partnership and recognition by the DEP and AWWA that we do a good job producing safe water. Becker stated if you go onto the EWG website you can find information on every water utility. He noted that every water utility has contaminants present in their water. He stated what is debatable is what the level should be and that is determined by the EPA. Treese stated the State should stand up for the Authorities and provide facts to the public.

DEP Source Water Protection Program - Becker stated EAWA applied for this back in 2013. The State has a source water protection program where they will do an analysis of potential contaminants within your source water area for wells.

There is no cost to the Authority other than our time. DEP identifies potential contaminants, does a hydrogeology analysis of our wells, and helps develop a source water protection program. Becker noted that because of the potential overlap within the aquifers with Mount Joy Borough Authority that DEP recommended a joint program. Mount Joy Borough Authority hasn't decided if they are interested in participating. Becker mentioned that DEP does all the analysis and there is no fee and no enforcement at this time.

b. **Operations Manager's Report:** None.

c. **Engineer's Report:** None.

d. **Financial Reports:**

- i. Paid Bills Detail (*Operating Fund*) (7/25/17) distributed with package (\$156,338.15 for balance);
- ii. Statement of *Operating* Revenues & Expenditures for period of JULY YTD, distributed with package. Income: \$2,971,398.71 (inc. fund balance), Expenditures: \$1,760,528.08 (inc. debt principal & int.);
- iii. Statement of *Capital* Revenues & Expenditures for period of JULY YTD, distributed with package. Income: \$4,039,743.71 (inc. fund balance), Expenditures: \$255,973.37;

Action: "That the Board accepts the JULY Statement of Operations Revenues & Expenditures (Actual vs. Budget)."

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

Sheidy asked why the earned interest is out of sync with the proposed projection. Becker noted we are getting higher interest rates and we have more funds in the accounts. Brewer asked why the amounts are much higher for item #'s: 6427400 and 6427431. Becker stated it is due to the figures going through July and there was an unanticipated repair on Fieldstone Ln.

6. **UNFINISHED BUSINESS:** None.

7. **NEW BUSINESS:** None.

8. **BILLS PAYABLE:** Refer to Unpaid Report;

Action: "That the Board pays bills listed on the statement of Unpaid *Operating* Fund Bills Detail totaling \$49,468.73 (8/14/17) and Unpaid *Capital* Fund Bills Detail totaling \$22,680.00 (8/14/17)."

Motion: K. Murphy **Second:** R. Sheidy **Approved**

9. **BOARD MEMBER'S REMARKS:** Treese asked if the Administrative Position was filled. Becker noted three interviews were conducted today and three are scheduled

for Thursday. Sheidy asked if applications were received for the Laborer position. Becker stated two applications were received.

10. EXECUTIVE SESSION: Board met to discuss a Personnel issue.

11. ADJOURN: 7:51 PM

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

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

Approved

Respectfully submitted,

D. Becker, Authority Manager

Approved at 9/11/17 Meeting