

**EAWA BOARD SPECIAL MEETING MINUTES**  
**September 20, 2014 - 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 8:00 AM by Dr. C. Dale Treese. Members present: K. Murphy, J. Buch, J. McCloud, D. Becker, C. Brewer, R. Erb. Also present were M. Skelly, Manager; G. Haldeman, Operations Manager. **Other Attendees:** None.

**2. PUBLIC COMMENT: None.**

**3. REPORTS:**

- a. **Manager's Report:** Skelly said that recent customer survey results would be posted on website.

Skelly mentioned that a letter was received from John Hohenwarter (74 Old English Ln), dated 9/19/14, asking for reimbursement of cost to replace his copper service line with plastic, as he had to undertake this work within 4 ½ years from the prior (Feb. 2010) copper service line replacement. Skelly provided two sections of corroded copper piping for Board to examine.

In 2010, Luttrell Excavating replaced a section of copper piping in his front yard, which runs under existing gas / electric utilities. Luttrell indicated that corrosion and water leaks were likely caused by galvanic corrosion and electrical current. Hohenwarter / Luttrell's request to use plastic piping was denied by former MJTA as this type of product was not allowed by the Design Specifications. Consequently, copper was used again. In September 2014, Hohenwarter noticed ponding in his front yard. Luttrell investigated and confirmed it was the same problem as in 2010. Luttrell contacted EAWA and was allowed to use HDPE pipe. Hohenwarter believes it inappropriate for him to pay for two replacement costs in such a short period when he could have been granted relief back in 2010. Haldeman said he talked to S. Bixler, and he has seen this before.

The Board said they would review the matter further next month, as well as wait for a report from Lusardi. However, the Board, as noted in EAWA's policies, did not believe they are responsible for damage / repairs on private property associated with a service line leak.

Skelly noted the 9/27 National Drug Take Back Day. Drop-off location provided by NW Regional Police at Giant Food Store; Policy intended to reduce the amount of human / animal pharmaceuticals and steroidal hormones, which studies have documented are posing environmental and health concerns.

Skelly referred to the Status of 2014 Budget / Cash Flow reports (August Revenue & Expenditure Report, 2011 – 2013 Actual Monthly Income & Expenses Operating Fund, 2013 & 2014 Monthly Bank Statements), that were distributed.

Skelly said Capital Funds are in process of consolidation, and new Plan – Program including CRIM accounts, will be included on revised Capital Fund Budget.

Discussion occurred on 2014 – 2017 Short-term Goals & Projects. The focus for 2015 appears to be a transition / wrap-up of Asset Mgmt., as well as a 5-10 year budget & rate projection. Concord Financial will provide assistance. Skelly would also like to also create a financial – operation “benchmark” or “report card” format after consulting with C. Gibbons. Other metrics would be personnel and operations. For example, we are required to annually report on Unaccounted For / Non-Revenue water, which reveals how much we may be losing. This analysis is provided to SRBC and DEP for system performance.

The Board was interested in continuing to pursue active replacement of manual meters in Borough. Haldeman estimated that \$125K may be needed to cover 500 or so older meters that remain, which should be completed in next 2 – 3 years. This will be added to 2015 Budget.

Other major projects include billing software update (initial multi-year), and ACH review. The Board is more interested in latter project. Skelly said report will be available by March.

Board was asked to review Marketing Plan Memo by 10/1 and let staff know of their recommendations. Board briefly discussed interest in addressing the matter of taste, but will defer discussion / direction until next month.

Succession Planning is proceeding, and next year will involve more input and work from Operations Staff and R. Hess, HR consultant, as we develop multi-year evaluation and training plan. Board asked Haldeman to prepare a list of what the current Operators have in terms of actual certification.

Haldeman said that Tank Evaluations are complete and he’s estimating that every 5 years he’ll need \$5K / tank for visual inspections. The major renovations for Groff and Buckingham may be needed by 2025 – 2027; therefore approximately \$800K should be secured in Capital Fund budget. Maintenance Plan should proceed on these expectations. The Board was estimating that \$75K per year may be necessary. Skelly said Board will be able to see distribution when Capital Fund is drafted. The Board also asked Haldeman for the status of the Main Replacement Program.

D. Treese asked Board to offer their Long Term / more than 5 year expectations for EAWA. What are some of the “big picture” goals that we should pursue? The MJ Borough Authority interconnect was discussed. The Board is more focused on opportunities for system expansion - merging with other utilities, taking over smaller water provider in region (e.g. Conewago Ind. Business Park, mobile home parks, Victoria’s Pond, Maple Glen / Bossler Rd. subdivision, stormwater management authority). Haldeman mentioned Bainbridge’s system – potential

for operations – management contracts. Board also touched upon other in-house versus contracted services.

Treese introduced proposal to consider 2015 wage adjustment, and related changes to scheduling weekend coverage. Skelly said that COLA appears to be 2% for 2015.

**Action:** “That effective JAN. 2015 payroll, the Board approve, not including any COLA adjustment: (a) a 5% increase to all FT staff; (b) a 2.5% increase for PT staff; (c) change in Operational Staff weekend coverage, and other associated wage adjustment.”

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

Skelly said he also looked into lump-sum performance bonus versus percentage based, and agrees that percentage is acceptable, provided we keep it as a legitimate incentive to motivate staff. Skelly said a 5% would roughly translate into the \$2,500 / FT employee, which was anticipated for 2015. The Board asked Skelly and Haldeman to also consider whether PT staff should be considered for Performance Review remunerations.

The Board discussed concern over healthcare - additional cost-sharing as EAWA and Benecon work through the evolution of coverage requirements and costs. Skelly said we won't know this until mid-October. The Board is concerned with coverage costs and would need to be prudent in evaluating any increase in contribution levels.

**4. UNFINISHED BUSINESS:** None.

**5. NEW BUSINESS:** None.

**6. EXECUTIVE SESSION:** None.

**7. ADJOURN:** 10:15 am

**Action:** “That the Board adjourns the Special Meeting.”

**Motion:** K. Murphy      **Second:** C. Brewer

**Approved**

Respectfully submitted,

M. Skelly, Authority Manager

***Approved at 10/13/14 Meeting***