

**EAWA SPECIAL MEETING AGENDA
SEPTEMBER 21, 2024 - 8:00 AM**

1. CALL TO ORDER:

2. PUBLIC COMMENT:

3. REPORTS:

a. Manager's Report

i. Meetings and Dates

- a. Current meeting schedule is Work Session Meetings on 1st Wednesday and Regular Meetings on 2nd Monday.

ii. Personnel and Administration

- a. Operations: Personnel Structure, refer to attached memo

- b. Impact of Increased Plant Usage on operations

- As production demand has increased or raw water quality is diminished, the plant increasingly needs to operate, often at night and approaching 24 hours a day. During these periods, staffing is strained since personnel operate the plant as well as the typical daily needs of system operation.

Potential solutions:

- Dedicated night shift staff
- Additional staff operating in rotating shifts
- Potential additional compensation by implementing a shift premium

- c. Administration: Assistant Business Manager, September 30 start date

- d. Employee Benefits

- Adjustment of death benefit insurance – levels have not been modified since formation of the Authority in 2004. Suggested adjustment in (). Cost impact is approximately \$100 per month.

0 – 10 years of service - \$50,000 (\$75,000)
0 – 20 years of service - \$100,000 (\$125,000)
over 20 years of service - \$150,000 (\$175,000)

- e. Act 205 Pension / Act 457 Deferred Compensation Plan

- a. Balance as of 8/30/2024: \$542,684.71

- b. YTD Return: 8.48%

- c. Current investment objective: Income, with medium risk tolerance and a 5 to 10 year timeline, contribution level at 6.5% of gross employee income

- d. Anticipated contribution requirement for 2025: \$54,000, see attached memo

e. Potential modifications for Board to consider for plan:

- Shift of 205 funds to an alternative investment firm with lower fees, if available. Fulton Financial fee is 1.0%, plus the fees built into the investment products.
- Authority match of employee contributions to 457 plan to encourage employee retirement savings, coupled with a potential reduction in Authority contributions to the Act 205 plan (if allowed).

f. Cost of Living Adjustment: see Budget discussion

iii. **Budget and Cash Flow** – Refer to:

a. Monthly Cash Flow Summary (attached) and 2025 Draft Operations Budget with updated Revenue and Expenditures through August 31, 2024:

- Inflationary Pressure – inflationary pressures and supply chain impacts have lessened but some impacts are still expected. Most recent Bureau of Labor Statistics for the Mid-Atlantic year to year, 3.3%. The Fed just lowered the Federal funds rate which may help.

b. Unanticipated 2024 Expenses

- Chemical Costs: higher prices and increased usage
- Sewer charges: will continue to increase as the water plant is used more
- Overtime: exceeded budget due to necessary after hour repairs and operational staffing

c. Healthcare

- Benecon indicated significant increase for EAWA of approximately 20.0% is likely due to claim fund performance. Final rates obtained in early October.

iv. **Revenue**

a. Revenue Adjustments: see attached memo.

b. Funding resolution will be needed for the PENNVEST financing. Draft in process for Board action later this fall.

v. **Capital Reserve Account Update**

a. Current Balance: refer to summary of accounts (attached);

b. Minimum balance implemented by Board in 2021;

vi. **Capital Budget and Facilities Priorities**

a. Board last year developed several priorities that have fairly defined capital spending for the next five years:

- Cast Iron Pipe Replacement: PENNVEST has made funding offer. HRG and Eckart Seamans assisting Authority with funding. Phase 1 bids received in the amount of \$2.7M for 7,350 feet of water main.
- As planned, other capital needs: fund with existing Capital Reserve Balance or potential future borrowing following fulfillment of current Truist Bank loan 2032
- Meter Update and AMI Implementation: Third party assistance in upgrade of installed meters. Approximately 4,000 meters in need of replacement. The approximate installed cost of each meter is \$500 (\$200 for meter, \$200 for MXU, \$100 for installation). Discussing implementation schedule with Sensus.

b. Treatment Facilities:

- Rheems WTP: GHD designing improvements, including replacement of the nitrate system due to age (30 years), force main replacement and electrical upgrades including VFDs for pump operation.
- WTP Plant Improvements project: GHD designing phased upgrades including additional treatment skid, waste neutralization system, new membrane cleaning system, additional intake pipe, distribution pumps, and other plant improvements.
- Storage Tanks:
 - Established cycle for cleaning, interior coating and painting. In order of priority: Buckingham/Radio Road; Groff; Rockwood; and West Ridge Road. Buckingham Tank project has been submitted to DEP for permit approval. Groff Tank inspection and mixer installation in either 4Q 2024 or 1Q 2025. Mixer installed in West Ridge tank this year.
 - A study and system modelling effort with GHD to look at adequacy of current storage and plan for future storage needs given projected future growth and service area impacts.

c. Vehicles and Equipment:

- No replacements or additions anticipated until 2028.

d. Land Development:

<u>Development</u>	<u>Anticipated Year Unit Construction Begins</u>	<u>EDUs Added</u>
StoneyBrook Phase 2B	2024	54
StoneyBrook Phase 3B & 4	2025+	114
Bear Creek Estates	2025	39
Westbrooke IV (additional phases)	2027+	168
Campus Road	2025	489
Meridian Heights (Sheaffer Road)	2025	374
Raffensperger	2026	86
Westmount	2026	289
Cloverleaf & Market (commercial)	2025	50
MJT Warehouses	2026+?	87
Total		TOTAL = 1,750
Current Tapping Fee		\$3,300.00
Potential receipts		\$5,775,000.00

Refer to attached memo with a summary of our ability to provide service

4. UNFINISHED BUSINESS:
5. NEW BUSINESS:
6. BOARD MEMBER'S REMARKS:
7. EXECUTIVE SESSION:
8. ADJOURN: _____ AM