

**EAWA WORK SESSION MEETING MINUTES**  
**July 5, 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, and Chuck Brewer. Absent: Keith Murphy and Rick Erb. Also present were George Alspach, Solicitor; Del Becker, Authority Manager; Chad Engle was present for Peter Lusardi, Engineer; Michele Powl, Business Manager; and Melissa Read, Temp. Members of the Public: none present.

**2. PUBLIC COMMENT:** None.

**3. REPORTS:**

**Series of 2008 and 2012 Bonds** - Becker stated that the calling of the bonds and the initiation of the new bank loans went as scheduled on 06/22/17. He thanked McCloud, Murphy and Alspach for their help with that. The new first debt service payment is scheduled for December 1<sup>st</sup>, 2017. Sheidy asked the frequency of payments. Becker stated that, typically, EAWA pays an interest payment once a year, and pays an interest plus principal payment once a year for each loan. There are two loans outstanding. The interest is paid around February-March, and the interest plus principal is paid later on in the year (June and August). Becker also remarked that this proposition reduced EAWA's outstanding debt by 10%. Sheidy asked if that was the schedule that EAWA requested. Becker answered that Chris Gibbons set up the payment schedule with Fulton to match the existing debt service. The loan schedule mimics the bond payment schedule with the exception of the first and last years.

**Mars Plant Capacity** - Becker stated that Mars approached him about purchasing additional water. He put together a memo packet for the board to see Mars's usage. They have a well that they use only for the plant's cooling tower, but the water quality is continuing to degrade. As a result, they have to treat their well water at a higher frequency. They are seeking an alternative to using their well. Mars reached out to see if EAWA would be interested in selling the water equivalent to what they use from their well. As of now, Mars purchases about 91,000 gallons of water each day. If EAWA were interested in providing water for their cooling tower, the increase would add 25,000-56,000 gallons per day in addition to the 91,000 gallons. Becker stated that he met with Mars a few weeks ago and advised that there may need to be some sort of capacity reservation fee due to the substantial increase in usage. Becker stated that he wanted to ensure this would revenue positive for the Authority. He stated that Alspach forwarded a capacity reservation agreement to him. Becker will modify the document and present to Mars as a draft He stated that there would be no board action needed tonight other than concurrence to continue to dialogue with Mars to investigate options.

Sheidy asked if this additional usage would involve any changes to our system as far as getting bigger pumps or tanks. Becker answered that last year, EAWA installed a new meter at the Mars plant that can accommodate higher flows. Mars also made some internal changes to their water pipes should they lose their well. Haldeman stated that, at times, on a temporary basis, Mars did connect with the old water plant to compensate for their well going bad. Treese asked if the more water EAWA supplies, the less Mars would pay. Becker answered in the affirmative. Murphy asked if EAWA would have to run the plant more. Haldeman stated that would depend on the time of year/ drought situation. Brewer asked if EAWA could make changes to the billing for Mars, if we could bill each account separately. Becker stated that, since the Mars plant is on one meter, we cannot bill them separately. Brewer suggested putting in another meter for the cooling tower, and meter that water separately. He indicated there would still be an incremental revenue in providing water to Mars.

Alspach asked how much Mars' projected connection would cut EAWA down from the SRBC's allotted amount of water. Becker stated that, right now, EAWA is using 1.1 million gallons of water per day. Full capacity allowed from the SRBC is 2.2 million gallons per day. 50,000 extra gallons per day would not impact the allotted water from the SRBC. Becker stated that the biggest impact would be whether or not the board feels this is a taking of EAWA's capacity. Treese asked if EAWA could require Mars to disconnect their well for use. Becker stated that he did not discuss that specifically with Mars, but that Mars would probably agree to abandon the well. Treese stated that, in the past, the board has discussed redoing the rate structure. As of now, Mars is paying less than a residential customer per gallon. Treese stated that a condition to Mars' connecting should be to cut off the well. Becker stated that, as a positive, that would give EAWA exclusive water rights for Mars. Treese stated that Mars should be made aware of possible rate changes now in discussion. Alspach asked if Mars asked EAWA for a rate cap. Treese stated that he would like to see what we can do with a rate proposal for Mars. Becker stated that he will start to review legal aspects, and work on a rate proposal draft.

Murphy asked if there would be another way to provide Mars with water in case there is a break. Haldeman replied that yes, there is a way for Mars to continue to get water in case of a break in the street. Sheidy asked if there was something that prohibits Mars from using more than 50,000 gallons per day. Becker stated that our tapping fee and resolution in our bylaws allow EAWA to assess additional capacity fees. Becker stated that we have the ability to go to any user to require additional EDUs if they use above and beyond what they normally use. Becker stated that he will continue to dialogue with Mars, and advise them of tonight's discussion.

**Operations Manager's Report** - Haldeman stated that, while he was off in June, everything continued as normal. The techs cleaned the clear well. They installed lighting in the clear well when the new plant was built. That lighting did not last, and rusted away. Haldeman stated that they bought some head lamps to use when they need to inspect the clear well. Becker stated that they plan to use portable LED lighting. There is no need for a permanent fixture inside the well. Haldeman stated that the clear well is full. Brewer asked about Haldeman's report with the abandoned

water service. Haldeman stated that an apartment on Market St. put in a new service, but had never discontinued its old service. The techs recently discontinued it. Haldeman also remarked that all of the work is finished on Market St.

**Engineer's Report** - Chad Engle was present for Pete Lusardi. Engle stated that the Spruce St. water main project survey is complete. When Lusardi returns, he would like to schedule a walk-through and layout review with the staff. He would like to schedule time to review the old filter plant project, the reservoir wall project, and the reservoir intake pipe projects with the board and staff.

- 4. UNFINISHED BUSINESS:** Becker stated that he is reviewing a few dates in September for a Saturday meeting to work on the budget. The dates from which to choose will be either the 16<sup>th</sup> or the 23<sup>rd</sup>. Treese asked the board to review those dates to see which one will work best for them.

**Administrative Assistant Position** - Becker stated that staff will initiate interviews for the administrative assistant position this month.

**Sick Leave Subcommittee** - Becker stated that he will need to schedule a time to meet again with Brewer and Sheidy for further discussion.

- 5. NEW BUSINESS:** None.
- 6. BOARD MEMBER'S COMMENTS:** None.
- 7. EXECUTIVE SESSION:** Personnel.
- 8. ADJOURN: 7:25 PM**

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

**Motion:** R. Sheidy

**Second:** J. McCloud

**Approved**

Respectfully submitted,

D. Becker, Authority Manager

***Approved at 8/14/17 Meeting***