

**EAWA WORK SESSION MEETING MINUTES**  
**August 3, 2016 - 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, Del Becker, Rick Erb, Rich Sheidy, and Jeff McCloud. Absent: Chuck Brewer. Also present were George Alspach, Solicitor; Peter Lusardi, Engineer; Gene Haldeman, Operations Manager; Mike Skelly, Manager; Grace Miller, Business Manager and Michele Powl, Administrative Clerk.

**2. PUBLIC COMMENT:** None.

**3. REPORTS:**

**Manager's Report: Confirm Date for 2017 Pre-budget Meeting** - Treese confirmed the pre-budget meeting for 9/17/16 at 8 am.

**Potential O&M Service Agreement with Bainbridge Water Authority** - Skelly has been talking to Lorraine Flowers, over the last few months. She will be retiring soon, and she is exploring options for a service agreement by a private company or by EAWA. He noted EAWA has assisted BWA in the past with operations. Skelly said he provided costs to Bainbridge. He noted that if it was accepted by both Boards' that the agreement would be similar to the one EAWA had with Mount Joy Township (MJT). After a brief discussion, the Board advised Skelly to pursue.

**Full Cost Recovery Part II Presentation** - Skelly noted this was discussed last year prior to the action on incrementally raising the lowest billing tier. The Board agreed to revisit this in 2016. He said full cost recovery evaluates and provides for rates to include all costs (operation, maintenance, capital, debt, and fund reserves) and is fair and equitable to all customers across all tiers. EAWA uses a declining block rate (the more you use the less you pay). Skelly provided a PowerPoint presentation and recommended that the Board consider combining the lowest two billing tiers with a moderate rate increase for large users that would cover all costs and be in line with the residential base tier. He noted that residential users consist of 94% of the customers - using 72% of water and 81% of revenue, while the large users consist of 64 accounts (1% of total) using 27% of water and account for 16% of our revenue. The two largest users are Mars and Etown College. Skelly encouraged the Board to discuss in the future months to determine the appropriate multiplier for the lowest billing tiers. Treese said EAWA's rates are relatively low based on regional utilities and its impact on median household income. Treese stated EAWA needs to ensure rates cover all costs and are fair and equitable. Skelly said the increase could affect Mars by as much as \$5K more per quarter. Treese asked Skelly to distribute the list of the top 20 users to the Board. Treese stated that EAWA did not impose any rate increases for 2016. He suggested that we meet with those potentially impacted large users to explain the need for the rate increase. Sheidy noted EAWA should consider the growth in the townships, and the water rates do not discourage

businesses from coming into the area. Treese said the Board would discuss at the pre-budget meeting.

**2017 Healthcare Plan** - Skelly stated staff met with Highmark representatives regarding the proposed HD Plan and a second meeting might be required. He said staff requested the potential for EAWA seed funding the Health Savings Accounts. The Highmark representatives noted that some companies provide funding for the HSAs and if EAWA elects to do so, the funds cannot be deposited until January, 2017. Skelly said staff requested confirmation on the deductible amounts. He noted that various options were discussed, and the Board needs to advise staff of the deductible amounts. Skelly said the Board agreed to reduce the paycheck contributions by half (\$35/\$15 per individual and \$105/\$50 per family) with the intention that staff would contribute the difference in the contribution into their HSAs. Skelly said he could proceed and discuss with Benecon after the Board confirms the deductible amounts. After a brief discussion, the Board advised Skelly to inform Benecon of the HD Plan deductible amounts of \$2,000 for individual and \$4,000 for family. The Board will set aside a reserve for the HSAs at the pre-budget meeting and will discuss further after the 2107 rates are received.

**Energy Audit Summary** - Skelly said Lusardi gave copies of the draft Energy Audit for Haldeman and him to review. Skelly included a memo in the agenda summarizing his comments on the key findings and recommendations of the study for the Board to consider allocations for the budget and as a project for 2017. Lusardi provided a PowerPoint presentation highlighting the key potential energy savings. He said the majority of the energy costs are the pumping costs. He noted Well 3 is the least expensive to operate while Wells 1, 8 and 9 are the most expensive. Lusardi said one option to reduce pumping costs is the use and installation of Variable Frequency Drives (VFD's) at Wells 1, 7, 8 and 9 with the payback period estimated at 3-5 years based on the potential energy costs savings. Lusardi stated the key potential energy savings are as follows: 1) reduce pumping costs at Wells and consider VFDs; 2) verify pumps are efficient when replacing; 3) continue to reduce unaccounted for water by conducting leak detection survey and aggressive meter replacement – every five years for commercial/large users and every 15-20 years for residential users. Lusardi said the “unaccounted for” water energy costs were \$22K for 2015. Haldeman, Lusardi, and Becker should meet to prioritize the wells. Lusardi said he'll provide figures for Board's 9/17 meeting.

**Operations Manager's Report:** Haldeman noted the following: 1) staff began the annual operation of Cornwall on Monday for 14 days. Cornwall Water Authority is dissolving at the end of the year; 2) Burke and Bock completed 45% of the leak detection program; 3) DEP is conducting the filter performance evaluation next week; 4) recently, staff replaced the 4” meter at Mars with an Omni meter and discovered it was reading fast. Staff replaced the head, and the same problem occurred. Haldeman said staff worked with L/B Water and determined that Mars had changed the size of the piping over the years, which caused the problem. He said staff will re-design the meter pit to correct the problem; 5) lead sample testing started today. Staff dropped off the bottles and launched a swift reach call with instructions; 6) the company working on the N. Market St. bridge beside Lucky

Duck's Restaurant bored through the water line. Haldeman said the water main was exposed in the creek, and he would like to reroute the water line underneath the bridge. Haldeman said DeVan is working with PennDOT to include the sewer lines in the bridge design and DeVan advised Haldeman to work with Lusardi to calculate the cost and submit with the Borough so all the work would be completed by the awarded bidder. The Board advised Haldeman to proceed with obtaining the cost to provide for the budget. Haldeman noted a boil water advisory call was issued due to the incident. He said water was delivered to Groff's Meats with assistance from the fire department. Murphy asked about providing a donation to the fire department. Treese said the Board can discuss.

**Public Works Director's:** None.

**Engineer's Report:** None.

4. **UNFINISHED BUSINESS: Draft letter to Conoy Crossing Developers -**  
Postponed to 8/8/16 meeting.

**Update Haines & Kibblehouse Meeting - Cornwall Quarry -** Postponed to 8/8/16 meeting.

5. **NEW BUSINESS:** None.

6. **BOARD MEMBER'S COMMENTS:** None.

7. **EXECUTIVE SESSION:** Board adjourned to discuss Personnel matters.

8. **ADJOURN: 7:59 PM**

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

**Motion:** K. Murphy

**Second:** J. McCloud

**Approved**

Respectfully submitted,

M. Skelly, Authority Manager

***Approved at 9/12/16 Meeting***