

**EAWA Special Meeting Agenda
September 19, 2020 - 8:45 AM**

1. CALL TO ORDER:

2. PUBLIC COMMENT:

3. REPORTS:

a. **Manager's Report** – Legal notice for mtg. appeared in 9/16 Elizabethtown Advocate.

i. **McDonald's Service Replacement:** Bids received September 18, 2020. Bid results as follows (TBD):

Action: "That the Board approves the Award of subject Bid to Leo Kob Co., Inc., contingent upon submission and approval of all necessary documentation in the base bid amount of \$39,760.00.

Motion:

Second:

ii. **Bill of Sale for WoodsEdge, Resolution 2020-7:** Dedication of water lines / Bill of Sale for WoodsEdge. Letter of Credit in place for 18-month maintenance security, developer has requested Board consider relief for the Letter of Credit since the water line have been operational since 2007/2008. Letter of Credit balance is \$31,460.

Action: "That the Board approves Resolution 2020-7 to accept the Bill of Sale for the dedication of water lines for WoodsEdge."

Motion:

Second:

iii. **Water Extension Agreement:**

Action: "That the Board approves the water service extension agreement for Radio Road Development as presented, contingent on receipt of construction security."

Motion:

Second:

iv. **Meetings and Dates**

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

v. **Status of Operations Budget and Cash Flow** – Refer to:

a. Monthly Cash Flow Summary (attached) and 2021 Draft Operations Budget with updated Revenue and Expenditures through September 17, 2020;

- Inflationary Pressure near zero – consumer price increases have averaged below 2% and Federal funds rate near zero.
- Expectations for return from invested funds should be lowered dramatically.
- Preliminary operational expenses – modest increase of approximately 2.7% anticipated.
- Refinancing of Debt has a significant positive effect on budget impact, although debt service will be increasing to \$684,767.18, the large increase deferred until 2022 when total debt service increases to \$818,132.84. Stays at this level until 2031 when loan paid off in 2032.

- b. Unanticipated 2020 Expenses;
 - IT Support – need to switch support provider lead to higher IT expenses. Higher expenses are the “new normal” with increased penetration of technology into our core business and practices.
 - c. Healthcare:
 - Benecon estimates slight decrease to slight increase for EAWA, up to 2%. Final rates obtained in October.
 - d. Wage Structure:
- vi. **Capital Budget and Facilities Update** – Status and potential future projects:
- a. Pipe Replacement Projects
 - 2,900 Feet being replaced in 2020.
 - ACP in Rheems and remainder of 4” pipe on Willow St.
 - Bid next project for 2021 in Mar/Apr for summer construction.
 - Alida St from Harrisburg Ave to Greider Ave replace approx. 450’ of 4” Cast Iron main, 8 Service, 2 Valves, 1 Fire Hydrant added.
 - Alida St from School lane to Dead End replace approx. 400’ of 4” Cast Iron Main, 4 Services Laterals, 2 Valves and 1 Fire Hydrant.
 - Lime St (Rheems) from Harrisburg Ave to Dead end replace approx. 600’ of 4” Cast Iron and 2” BB , 5 Service Laterals, 3 Valves, 1 Fire Hydrant
 - Broad St from Harrisburg Ave to Dead End replace 700’ of 4’ Cast Iron and 1 ¼” Galvanized, 5 Service Laterals, 3 Valves, 1 Fire Hydrant.
 - Relocate water Services on E College Ave from 4” main to 8” main.
 - b. Distribution and Treatment Facilities:
 - Additional insertion valves for better distribution system emergency response and additional iHydrants for monitoring.
 - WTP Plant Improvements project: additional intake pipe, potential clearwell modifications, other plant improvements such as relocation of the membrane cleaning skid to the Chemical Storage Room.
 - Trailer mounted generator: Previously planned, however new EPA emissions requirements have delayed decision on purchase. Likely required by DEP beyond 2022 for all sources. System is now more resilient with installation of generator at Mount Joy Township.
 - c. Vehicles and Equipment:
 - Vactor Truck – currently Operations utilizes a portable vacuum extractor for excavations in tight spots. The portable equipment is limited in capability and cumbersome to use. A truck mounted system would provide greater utility. ERSA has indicated that they may be interested in a cost share purchase with EAWA. Anticipated cost share amount: \$75,000 to \$125,000 depending on new or used.
 - Grounds Maintenance Equipment – two of our three mowers in need of tender loving care and expensive maintenance. Replace with zero-turn mower.
 - Dump Truck Replacement in 2021 – 1993 truck purchased from Borough is running well. Deferral to 2022 recommended.

- Vehicles – fleet has been updated, replacements not anticipated to begin until 2028 or beyond. 2005 GMC pickup will be auctioned on MuniBid this fall.

d. Land Development Plans Pending:

<u>Development</u>	<u>EDUs Added</u>
StoneyBrook Phase 2	54
StoneyBrook Phase 3A	34
StoneyBrook Phase 3B & 4	114
Westbrooke Phase IV (all phases)	221
Campus Road	482
Sheaffer Road	384
Total	1,289 (0.22 mgd)
Current EAWA Production	1.3 mgd
Permitted System Capacity	2.25 mgd

vii. **Billing / Rates**

- Billing Software: this is the Administrative top priority for next year. Unfortunately, the software selected in 2017 has not worked as it should and is unreliable. Achieved our goal of postage reduction, however, the unreliability of the software is a distraction and has led to the loss of hundreds of hours of staff time. Schedule: select vendor September 2020; implement new system October – December 2020; system switch January 1, 2021. Additional benefits include customer portal to view billing history, access to customer information by Operations, backflow prevention program improvements, increased auditing information and accountability, integration with Accounting software, cloud access, and elimination of need for SwiftReach software.
- 2021 Potential Rate Adjustment:
- E-payment fees Update
 - Pandemic increased usage of e-payments, fees are within current budget.

viii. **Act 205 Pension;**

- Balance as of 8/30/2020: \$332,787.35
- YTD Return: 2.1%
- Current investment objective: Income, with medium risk tolerance and a 5 to 10 year timeline.
- Anticipated contribution for 2021: \$38,000

ix. **Capital Reserve Account Update**

- Current Balance: refer to summary of Fulton accounts (attached);
- Propose transfer of all funds in excess of Operational Reserve of \$500,000 be transferred from Operating Fund to Capital Reserve at year's end.
- Declining interest rates will reduce funds received for FY2021 on investments.

x. **Short-term Priorities & Goals;**

Focus for 2021:

- Update to standard practices and all manuals, including Design Standards.

- Risk and Resilience Assessment and Emergency Response Plan – WIFA Requirements by end 2021. Self-certification process that uses EPA provided software.
- Succession Planning: additional management training for identified candidates

4. UNFINISHED BUSINESS:

5. NEW BUSINESS:

6. BOARD MEMBER'S REMARKS:

7. EXECUTIVE SESSION:

8. ADJOURN: _____ AM