

EAWA SPECIAL MEETING MINUTES
September 19, 2020 - 8:45 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 8:45 AM by Dr. C. Dale Treese. Members present: Jeff McCloud, Chuck Brewer, John O’Connell, Rich Sheidy and Keith Murphy. Absent: Rick Erb. Also present was Del Becker, Authority Manager. Other Attendees: None.

2. PUBLIC COMMENT: None

3. REPORTS:

a. **Manager’s Report** – Becker noted that the legal notice for mtg. appeared in 9/16 Elizabethtown Advocate.

i. **McDonald’s Service Replacement:** Bids received September 18, 2020. Bids were received via the PennBid service from two contractors: Leo Kob Co., Inc., \$39,760 and Joao & Bradley Construction Co., Inc., \$99,825.00. Bids were evaluated by GHD and Staff recommends award to Leo Kob Co. Inc.. Bids received were unit price and Kob only will be paid for facilities installed. It is anticipated that the McDonald’s will close for the planned improvements on September 21, 2020;

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: R Sheidy Second: K Murphy APPROVED

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: K Murphy Second: J McCloud APPROVED

The Board also consider the request of the developer for relief of the letter of credit for the installed facilities. Following discussion, it was the consensus of the Board to not grant the requested relief but did agree to allow the warranty period to begin on the date of that West Donegal Township accepted dedication of the streets.

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: K Murphy Second: J O’Connell APPROVED

iv. **Meetings and Dates:**

- a. Current meeting schedule is Work Session on 1st Wednesday and Regular Meeting on 2nd Monday. The consensus of the Board was to retain the meeting schedule for 2021.

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. Becker provided the Board with an estimated total for cash flow through the end of the year. Large expenditures remaining in 2020 include the main replacement project and the December debt payment.;
- 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. Becker indicated that the Authority’s cash assets are invested in FDIC insured investments and commercial paper, which is state approved commercial investments. Returns on both have decreased dramatically due to the decrease in the Federal funds rate. It was the consensus of the Board to invest funds in FDIC insured investment as the commercial paper investments mature.
 - Preliminary operational expenses – modest increase of approximately 2.7% anticipated. Becker highlighted several areas where increases are 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. Becker highlighted the need to remain vigilant with cyber security due to increasing ransomware attacks.
- c. Healthcare:
- Benecon estimates slight decrease to slight increase for EAWA, up to 2%. Final rates obtained in October.
- d. Wage Structure: Board discussed employee compensation and where EAWA stands relative to other water utilities. Becker provided the Board with a summary of results from the 2019 AWWA Wage Survey and indicated that for the most part, employee compensation is in line with other utilities of comparable size. Treese indicated it was important to stay cognizant of where EAWA stands relative to others.

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.

The Board agreed it was important to continue replacements. Becker indicated that more complex areas like downtown will require close coordination with both PennDOT and the Borough.

b. Distribution and Treatment Facilities:

- Additional insertion valves for better distribution system emergency response and additional hydrants 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. Staff is still developing alternatives and sizing for the generator.

c. Vehicles and Equipment:

- Vactor Truck – Becker briefed the Board on how currently Operations utilizes a portable vacuum extractor for excavations in tight spots. The portable equipment is limited in capability and cumbersome to use. Sheidy agreed that it is not easy 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. O’Connell said to his knowledge it was not on ERSA’s radar. The Board consensus was that should a cost-share arrangement be developed; it needs to be a written agreement and not a “handshake” deal.
- Grounds Maintenance Equipment – two of our three mowers in need of tender loving care and expensive maintenance. Replacement with zero-turn mower.
- Dump Truck Replacement in 2021 – 1993 truck purchased from Borough is running well. Deferral to 2022 is recommended by staff.
- 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:

Becker provided a summary of future anticipated development in the service area. Brewer indicated that several of the developments in Mount Joy Township will require a change in zoning.

<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

- a. Billing Software: Becker indicated that this is the Administrative top priority for next year. He indicated 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. The consensus of the Board was to include the new software in the Budget for 2021 and proceed with the replacement.
- b. 2021 Potential Rate Adjustment: Treese recommended that the Board discuss in mid-2021 and evaluate the need for an adjustment in rates in the 3rd and 4th Quarters if necessary. Becker indicated he would prepare a history of rate adjustment for the Board's information.
- c. E-payment fees Update
 - Pandemic increased usage of e-payments, fees are within current budget.

viii. Act 205 Pension;

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

ix. Capital Reserve Account Update

- a. Current Balance: Becker referred the Board to summary of Fulton accounts;
- b. Proposed transfer of all funds in excess of Operational Reserve of \$500,000 be transferred from Operating Fund to Capital Reserve at year's end.
- c. 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. Becker indicated that the Design Standards and Personnel Manual are currently being revised that when final will be presented to the Board for approval, late 2020/early 2021.

- 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, with Mitch Burke as the primary candidate.

4. **UNFINISHED BUSINESS:** None

5. **NEW BUSINESS:** None

6. **BOARD MEMBER’S REMARKS:**

7. **EXECUTIVE SESSION:** None

8. **ADJOURN: 11:50 AM**

Action: “That the Board adjourns the work session meeting.”

Motion: R Sheidy **Second:** J McCloud **APPROVED**

Respectfully submitted,

D. Becker, PE, Authority Manager

Approved at the 10/12/2020 Meeting