

**EAWA SPECIAL MEETING AGENDA
SEPTEMBER 23, 2023 - 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 on 1st Wednesday and Regular Meeting on 2nd Monday.

ii. Act 205 Pension

- a. Balance as of 8/30/2023: \$470,325.81
- b. YTD Return: 5.84%
- c. Current investment objective: Income, with medium risk tolerance and a 5 to 10 year timeline, contribution level at 6.5% of employee income
- d. Anticipated contribution for 2024: \$48,555, see attached memo

iii. Personnel and Administration

- a. Personnel Subcommittee looked several items affecting personnel policy and staffing, focusing on items to improve operations and employee retention. Items recommended for adoption:
- Skills Transfer: set priority to have full time staff absorb tasks and skills currently completed by part time staff.
 - Outsourcing of mowing: each of the municipalities outsource their grass mowing. Difficulty in obtaining summer help and outsourcing of the mowing would allow staff to focus on the core skills of water treatment and distribution.
 - Juneteenth Holiday Observance: most recently adopted Federal, State and Banking holiday
 - Long Term Disability Insurance for Employees: Authority currently provides short term disability insurance for employees (60% pay for 13 weeks). Long Term disability (up to 5 years, 60% pay) relatively low cost employee benefit. Combined short term and long term premium is approximately \$7,700.
 - Assistant Business Manager/Billing Coordinator
 - EAWA Administrative staff to revise and develop position descriptions for 2024
 - Revised Personnel Policy Manual to be presented to Board for approval in January 2024.

iv. **Operations Budget and Cash Flow** – Refer to:

- a. Monthly Cash Flow Summary (attached) and 2024 Draft Operations Budget with updated Revenue and Expenditures through August 31, 2023;

- Inflationary Pressure – inflationary pressures and supply chain disruption have lessened but are expected to continue. Most recent Bureau of Labor Statistics for the Mid-Atlantic year to year, 2.8%
- Insurance: EHD indicates market pressure is upward on all insurance. Estimates 8 to 10% increase from Travelers.

- b. Unanticipated 2023 Expenses

- Chemical Costs: the cost of sodium hypochlorite more than doubled
- Tree maintenance: large trees (ash especially, were a safety issue)
- Vehicle maintenance: several costly repairs, but should extend vehicle life

- c. Healthcare

- Benecon indicated slight increase for EAWA of approximately 2.0%. Final rates obtained in October.

v. **Capital Reserve Account Update**

- a. Current Balance: refer to summary of accounts (attached);
- b. Minimum balance implemented by Board in 2021;
- c. Propose sweep of all funds in excess of Operational Reserve of \$500,000 from Operating Fund to Capital Reserve at year's end as in years past.

vi. **Capital Budget and Facilities Priorities**

- a. Facilities Subcommittee discussed and developed several priorities:

- Cast Iron Pipe Replacement: Board to consider more aggressive replacement of smaller Cast Iron pipe (4-inch and 6-inch), approximately 80,000 feet over a 3 year period, for both reliability and water quality reasons. Pursue alternative funding resources such as PENNVEST. Select Engineer to assist through a Request for Proposal allowing GHD to focus on other Authority projects.
- Other capital needs: fund with existing Capital Reserve Balance
- Meter Update and AMI Implementation: Board to consider third party assistance in upgrade of installed meters Approximately 3,000 meters in need of replacement. The approximate installed cost of each meter is \$500 (\$200 for meter, \$200 for MXU, \$100 for installation).

b. Treatment Facilities:

- Rheems WTP: GHD study recommends a number of improvements, including replacement of the nitrate system due to age (30 years) and VFDs for pump operation.
- 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.
- 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 on hold waiting for potential grant funding from the Commonwealth.
 - Consider study by GHD to look at adequacy of current storage and plan for future storage needs given projected future growth and service area impacts.
- Tree Removal: long term Capital Improvement, recommend funding from Capital fund for facilities.
- Trailer mounted generator: Applied for County ARPA grant funding.

c. Vehicles and Equipment:

- No replacements or additions anticipated until 2028. Delivery of new truck anticipated November 2023 (unless impacted by UAW strike)

d. Land Development Pending:

<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	2024	39
Westbrooke IV	2030+	168
Campus Road	2024+	482
Sheaffer Road	2024+	377
Raffensperger	2025+	86
Westmount	2025	289
Cloverleaf & Market	2024+	50
MJT Warehouses	2024?	87
Total		1,746
Current Tapping Fee		\$3,300.00
Potential receipts		\$5,761,800.00

vii. Billing / Rates

- a. 2024 Rate Adjustment: preliminary budget indicates an increase in revenue of approximately 3 to 4% is necessary to maintain same relative funding as maintained in previous years

viii. Other Priorities

- Continued update to standard practices and all manuals, including Design Standards.
- Succession Planning: training for junior staff has resumed. Identify additional fresher training for senior staff.

4. UNFINISHED BUSINESS:

5. NEW BUSINESS:

6. BOARD MEMBER'S REMARKS:

7. EXECUTIVE SESSION:

8. ADJOURN: _____ AM

Elizabethtown Area Water Authority Employees Pension Plan
2024 Minimum Municipal Obligation

1 Employer Contribution Percentage	<u>6.5%</u>
2 Administrative Expense Percentage	<u>0.0%</u>
3 Total Percentage (1 + 2)	<u>6.5%</u>
4 Estimated 2024 Covered Payroll	<u>\$747,000</u>
5 Financial Requirements (3 x 4)	<u>\$48,555</u>
6 Advance Employer Contribution	<u>\$0</u>
7 Minimum Municipal Obligation (5 - 6) (Due Before 12-31-2024)	<u><u>\$48,555</u></u>



Authorized Signature



Date