

**EAWA WORK SESSION MEETING MINUTES
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. The consensus of the Board was to retain the meeting schedule for 2024.

ii. Act 205 Pension

- a. Current status of the account and balance as of 8/30/2023 was reviewed with the Board: \$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. Becker indicated this item includes assumptions that are yet to be approved in the 2024 Operations Budget.

iii. Personnel and Administration

- a. Personnel: Treese indicated the subcommittee looked at several items affecting personnel policy and staffing, focusing on items to improve operations and employee retention. He indicated that several of the items looked at impacted both the subcommittees. 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 member 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. The consensus of the Board was to seek bids for mowing in 2024. Becker indicated a bid would be advertised later this year. Murphy inquired about plowing. Becker indicated he was less likely to recommend bids for plowing due to the difficulty the Borough has had getting bids and the fact that you must pay the plower whether they plow or not.
 - Juneteenth Holiday Observance: most recently adopted Federal, State and Banking holiday. After a brief discussion, the consensus of the Board was to include the holiday in those observed by the Authority.

- Long Term Disability Insurance for Employees: Becker indicated that the subcommittee had looked at additional ways to incentivize employment. 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. After a brief discussion, the consensus of the Board is to offer additional insurance in 2024 to employees as part of the benefits package.
- Staffing of the Admin office was discussed. The subcommittee had identified an Assistant Business Manager/Billing Coordinator for potential hire in 2024. Becker indicated that a prolonged absence of any employee makes it difficult to maintain all the office processes effectively. Additionally, added staff should help with continuity of operation as employees leave Authority service.
- EAWA Administrative staff to revise and develop position descriptions for 2024.
- Becker indicated that a revised Personnel Policy Manual to be presented to the Board for approval in January 2024.

iv. Operations Budget and Cash Flow – Refer to:

- a. Monthly Cash Flow Summary and 2024 Draft Operations Budget with updated Revenue and Expenditures through August 31, 2023, were reviewed by Becker with the Board;
 - Inflationary Pressure – Becker anticipates that inflationary pressures and supply chain disruption will 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, the current insurance provider. Becker indicated that EHD intends to shop the coverage in the coming year to contain the increase.
- b. Unanticipated 2023 Expenses
 - Chemical Costs: Becker indicated that the cost of sodium hypochlorite more than doubled in 2023 from previous years.
 - Tree maintenance: large trees (ash especially, were a safety issue). Becker stated that it might be a good idea to include tree removal and maintenance in the Capital Budget each year.
 - Vehicle maintenance: several costly repairs but should extend vehicle life of the vehicles.
- c. Healthcare
 - In some good news, Becker stated that Benecon had indicated a slight increase for EAWA premiums of approximately 2.0%. Final rates obtained in early October.

v. Capital Reserve Account Update

- a. Becker discussed the current balance of Capital funds with reminder that a Minimum balance implemented by Board in 2021. As in the past, a sweep of all funds more

than the Operational Reserve of \$500,000 from Operating Fund to Capital Reserve at year's end.

vi. Capital Budget and Facilities Priorities

a. Facilities Subcommittee discussed and developed several priorities:

- **Cast Iron Pipe Replacement:** The Subcommittee recommends that the Board 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 and that the Authority consider alternative funding resources such as PENNVEST. After discussion, it was decided that an additional Engineer be selected to assist through a Request for Proposal allowing GHD to focus on other Authority projects.
- **Funding of other capital needs through the existing Capital Reserve Balance** was discussed. Becker stated that it was important to keep the two funding sources separated if a PENNVEST funding is granted.
- **Meter Update and AMI Implementation:** Becker provided an update to the Board regarding third party assistance in upgrading 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:** The draft GHD study was discussed. The study recommends several improvements, including replacement of the nitrate system due to age (30 years) and VFDs for pump operation. The Board decided to proceed with engineering and permitting for the upgrade.
- **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.
 - Becker asked that the Board consider a study by GHD to look at adequacy of current storage and plan for future storage needs given projected future growth and service area impacts. It was noted by O'Connell that GHD will need to update the distribution system model as water mains are replaced.
- **Tree Removal:** as briefed by Becker, recommend funding from Capital fund for facilities.
- **Trailer mounted generator:** Applied for County ARPA grant funding. Waiting on a County decision.

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: an update with current available information was provided by Becker.

<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: the Manager indicated that the preliminary budget points to an increase in revenue of approximately 3 to 4% is necessary to maintain same relative funding as maintained in previous years. An updated budget will be provided to the Board in October with a preliminary rate adjustment recommendation by Becker. Treese asked that in 1Q2024 the Board look out over the next 5 years.

viii. **Other Priorities**

- The Manager indicated there will be a comprehensive 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:** None

5. **NEW BUSINESS:** None

6. **BOARD MEMBER’S REMARKS:**

- O’Connell stated that given the size of the water main replacement project, it was very likely that it needs to be completed in multiple phases.
- Treese asked that next year’s meeting to be scheduled for September 21, 2024.
- Treese asked that Board Officer compensation was discussed. He indicated that it had not been adjusted since 2018. It was noted that the Board Officers perform many duties outside of meetings, such as subcommittee participation, that are not subject to

compensation. Following discussion, the consensus of the Board was to consider an adjustment of \$25/per meeting in the coming year.

7. EXECUTIVE SESSION:

8. ADJOURN: 11:11 AM

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

Motion: K Murphy **Second:** J McCloud **Approved**

Respectfully submitted,

D. Becker, PE, Authority Manager

Approved at the 10/09/2023 Meeting