

**MINUTES OF
EASTON SUBURBAN WATER AUTHORITY
NORTHAMPTON COUNTY, PENNSYLVANIA**

**Easton, PA
Monday
August 9, 2010
3:00 PM**

The members of the Board of the Easton Suburban Water Authority met in stated session at the above hour at the Authority office building, 3700 Hartley Avenue, Easton, PA, for the transaction of general business.

ROLL CALL

Present: Robert J. Bergren
 Charles W. Churchman
 R. Kirkwood Colton
 Michael G. Moorehead
 Margaret H. Poswistilo
 Theodore J. Veresink
 Timothy A. Cain (Chairman)

Absent: Donald W. Lockard, Wayne Barefoot

Also in attendance were Roy A. White, Executive Director; Craig Swinsburg, Assistant Executive Director; Stephanie Kinsell, Business Manager, Erin Rapp, Customer Relations Manager; Tim Ryan, IT Manager; Thomas Walters, Lewis & Walters; Keith Fleming, Palmer & Company; Rachel Govelovich, Gannett Fleming, Inc.; Mike Brown, Gannett Fleming, Inc.; Hillary C. Weiss, Recording Secretary

ACTION ON MINUTES

On page, 4221, Report of Engineer should read: "The next action to be taken will be the Notice to Proceed after contracts are signed and PreClosing Letter is received."

On page, 4224, Budget & Finance Committee should read: "Mr. Bergren, Chairperson, stated that the Finance Committee met prior to the Board Meeting to discuss several business items including Project Financing for the City of Easton Project and Authority Rate Information."

On a motion from Mr. Veresink, seconded by Mr. Moorehead, the minutes of July 12, 2010 were approved as presented. No public comment was received.

Motion adopted by the following vote:

Yeas: Bergren, Churchman, Colton, Moorehead, Poswistilo, Veresink, Cain (Chairman)
(7)

Nays: None

COURTESY OF THE FLOOR

There was no comment from the floor at this time.

REPORT OF ENGINEER

Copies of the Engineer's Report were enclosed with the mailing of the July minutes for review prior to the Board Meeting. Updates were provided and reviewed.

A Proposal for Construction Phase Engineering Services for the City of Easton project was sent to the Authority for review. Comments were received on August 6th. A response and revised proposal was provided to the Authority on August 9th.

REPORT OF MANAGER

The Management Summary was displayed on the overhead projector and reviewed.

Services

- There was a total of one new service, three service replacements, and one service repair in July.

Main Breaks

- There were a total of two main breaks in July.

Replaced Hydrants

- There were a total of seven hydrants replaced in July.

Curb Box Maintenance

- There were two curb boxes repaired in July.

Water Treatment Plant Project

- SCADA system is being activated and the security system being put on-line.
- Motor Control Center is completed.
- The recycle line will be complete after the lagoon outfall connection is terminated.
- Punch list items should be complete in six to eight weeks.

- Security system has been put on-line.

St. Luke's Project (Bethlehem Twp.)

- Service lateral modifications began in late July.
- ESWA Inspector is witnessing pressure tests, flushing, and taking bacteria test samples on the service laterals.

Woodridge Falls III Project (Palmer Twp.)

- ESWA is preparing Main Extension Agreement and contractor should begin water system installation in August.

Trio Farms Project (Lower Nazareth Twp.)

- No new updates.

Delaware Terrace Project – City of Easton

- The onsite water system installation is ongoing and should be completed by the end of August.

Winter Street Water Main Replacement

- ESWA personnel installed new 4" ductile iron water main to replace 4" cast iron water main that was fed through a 3/4" connection.
- The 4" cast iron water main was a source of frequent discolored water complaints which required frequent flushing to be performed.

City of Easton Infrastructure Improvement Project

- ADA ramp design is progressing and will be submitted to PennDOT when completed.
- H2O PA Grant Application was submitted and awards are expected to be announced November 16, 2010.

Kleinhans Street Water Main Replacement

- The COE study recommended water system improvement ISO 5, which called for the installation of 700 feet of 8" water main on Kleinhans St. between Folk St. and Charles St. to increase the fire protection in the area.
- The Delaware Terrace redevelopment project will include the overlay of Kleinhans St. between Folk St. and Frederick St.
- ESWA has expanded the scope of the improvement to include the entire area that is proposed for overlay. Expanding the improvement has added an additional 600 feet of 8" water main to the project.
- Work is scheduled to begin the week of August 9th and construction is anticipated to last 6 weeks.

Replacement of Morgan Hill Tanks

- ESWA's Landscaping Contractor has completed grading and stabilizing the site as needed and the site is being watered on a frequent basis so vegetation can be established to prevent further erosion.

- ESWA addressed the final clean up of the site as needed.
- All costs incurred by ESWA will be deducted from the contractor's final payment.

Palmer Tank Project

- ESWA personnel met with Carroll Engineering on August 4, 2010 at the site to discuss the proposed improvements required on the tank as well as the proposed schedule of the project.
- ESWA should be receiving plans and specifications in September to review and the project is anticipated to be put out to bid in late 2010, with working beginning in the spring of 2011.

Flushing

- The Knox Ave. North Flushing Program began on June 15, 2010 and was completed on July 27, 2010. This includes the southwest corner of Forks Twp. And the area of Palmer Twp. North of Seip Ave. and Park Ave.
- The Knox Ave. Central Flushing Program began on July 27, 2010 and should be completed the week of August 9, 2010. This includes the area of Palmer Twp. south of Park Ave., east of Greenwood Ave. and north of Rt. 22.
- The North High Flushing Program will begin the week of August 9, 2010, and will include the areas of Forks Twp. (north of Newlins Rd.).
- No flushing was performed between July 7th and July 14th, due to high demand related to high temperatures and due to a scheduled water treatment plant shutdown.

Meters

- New Meter Installations totaled thirteen, and reinstalled meters totaled nine in July. Meter Changes totaled 49 and MTU Installation totaled 112 in July.

Customer Service

- Turn off for Repairs – 12 Total
- Turn Off & Removal for Final – 11 Total
- Turn Off for Insufficient Funds – 3 Total
- Turn Off for Non– Payment of Sewer – 12 Total
- Turn Off for Non–Payment of Water – 15 Total
- Turn Off for Violations (Meter Changes) – 2 Total
- Turn On – 54 Total

Property & Casualty/Workers Compensation Insurance

- Renewal is August 8, 2010

Electrical Demand Response Program in Place

Power Broking

- LMP (on-peak/off-peak costs)

City of Easton Project

- Construction Management Agreement
- Loan and reimbursement resolution

On a motion from Mr. Bergren, seconded by Mr. Colton, the July requisitions (items 3277– 3286, totaling \$ 585,516.06) were approved. No public comment was received.

Motion adopted by the following vote:

Yeas: Bergren, Churchman, Colton, Moorehead, Poswistilo, Veresink, Cain (Chairman)
(7)

Nays: None

Roy White stated that Total Funds on Deposit totaled \$ 4,363,970.29 on June 30, 2010, and \$4,426.362.66 on July 30, 2010.

REPORT OF COMMITTEES

Executive Committee –

Mr. Cain, Chairperson, stated that the Executive Committee met prior to the Board Meeting to discuss several business items including the City of Easton Project and Authority Rate Information.

Budget & Finance Committee –

Mr. Bergren, Chairperson, stated that there was no meeting in July; however the Budget & Finance Committee did meet June 21st to discuss the rate increase.

At this time, Stephanie Kinsell discussed the August 2010 Project Status Report, Debt Obligations (revised 7/31/2010), 2010 Cash Flow Forecast, and the June 2010 Income Statement – Budget Comparison Sheet.

Pension Committee –

Mr. Bergren, Chairperson, stated that the Pension Committee met with the Authority's financial advisor, Kurt Kreisher. At the July 29th meeting, Kurt Kreisher recommended switching out of several low performing funds. In addition, Mr. Kreisher suggested offering more index funds in the Authority's portfolio, and limiting fund choices for employees. The Pension Committee will meet in the next few months to review the suggestions, and recommend changes at the next Pension Committee meeting. Mr. Bergren stated that a mix of Authority employees and Board members attended the Pension Committee Meeting.

Personnel Committee –

No Report.

Risk Management Committee –

No Report.

Building Committee –

No Report.

Security Committee –

No Report.

REPORT OF FINANCIAL ADVISOR

At this time, Keith Fleming discussed the Capital Improvement Fund Sheet for the period July 1st, 2010 to July 31st, 2010.

Roy White stated that the Authority will have two CD's due in October.

REPORT OF SOLICITOR

Mr. Thomas Walters stated the Authority was involved with a law suit a few years ago regarding a water main break in the West Ward part of the city. The case will go to trial in the beginning of 2011.

A second suit has been filed against the Authority, and a summons has been issued to our insurance carrier. There is no additional information regarding this case at this time.

UNFINISHED BUSINESS

Gannett Fleming provided the Authority with a proposal for construction management services for the City of Easton Infrastructure Project that includes the review of shop drawings, field inspections, record preparations, and construction schedules. The proposal was reviewed by the Authority's management.

On a motion from Mr. Churchman, seconded by Mr. Veresink, the Authority approved the proposal from Gannett Fleming for construction management services for the City of Easton Infrastructure Project at a cost not to exceed \$251,000. No public comment received.

Motion adopted by the following vote:

Yeas: Bergren, Churchman, Colton, Moorehead, Poswistilo, Veresink, Cain (Chairman)
(7)

Nays: None

On a motion from Mr. Bergren, seconded by Mr. Moorehead, the Authority intended to reimburse the general funds and short-term borrowing funds used to construct improvements to its water distribution system with funds received from the Pennsylvania Infrastructure Investment Authority. The amount will not exceed 5.27 million dollars. No public comment was received.

Motion adopted by the following vote:

Yeas: Bergren, Churchman, Colton, Moorehead, Poswistilo, Veresink, Cain (Chairman)
(7)

Nays: None

NEW BUSINESS

Roy White discussed the rate increase packet that was distributed to the Board last week. The Authority management will be recommending rate increases today for Metered Rates, Public Hydrants, and Private Hydrants effective October 1, 2010.

The Pennsylvania Infrastructure Investment Authority, as a condition to their low interest loan offer, stated that ESWA must provide a Board Resolution to increase water rates, “sufficient to support” projected operating expenses, existing debt expense and the debt expense associated with the March 2010 PennVest loan. All PennVest loans are secured by a lien on the Authority’s revenues. Attorney Walters will forward PennVest an official action on the rate increase at a later date.

The rate increase will be posted on-line, printed on customer bills, and submitted to the media in a form of a press release.

On a motion from Mr. Churchman, seconded by Mr. Bergren, the Authority approved the recommendation to increase water rates effective October 1, 2010. No public comment received.

Motion adopted by the following vote:

Yeas: Bergren, Churchman, Colton, Moorehead, Poswistilo, Veresink, Cain (Chairman)
(7)

4234

Nays: None

ADJOURNMENT

On a motion from Mr. Colton, seconded by Mr. Veresink, the meeting was adjourned at 4:35 PM. No public comment was received.

Motion adopted by the following vote:

Yeas: Bergren, Churchman, Colton, Moorehead, Poswistilo, Veresink, Cain (Chairman)
(7)

Nays: None

Respectfully Submitted

Hillary C. Weiss
Recording Secretary