

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

**Easton, PA
Monday
February 8, 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: Wayne Barefoot
Robert J. Bergren
Charles W. Churchman
R. Kirkwood Colton
Donald W. Lockard
Michael G. Moorehead
Margaret H. Poswistilo
Theodore J. Veresink
Timothy A. Cain (Chairman)

Absent: None

Guest: None

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 Specialist; Thomas Walters, Solicitor; Carl Fleming; Palmer & Company; Chuck Wilson, Miller Environmental; Rachel Govelovich, Gannett Fleming, Inc.; Mike Brown, Gannett Fleming, Inc.; Hillary C. Weiss, Recording Secretary

ACTION ON MINUTES

Page 4177, Report of Manager, Route 33 Corridor – City of Bethlehem should read, “No **word** from ALJ and PUC Commissioners...”

On a motion from Mr. Veresink, seconded by Mr. Colton the minutes of January 11, 2010 were approved as presented. No public comment was received.

Motion adopted by the following vote:

Yeas: Barefoot, Bergren, Churchman, Colton, Lockard, Moorehead, Poswistilo, Veresink, Cain (Chairman) (9)

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 January minutes for review prior to the Board Meeting. Updates were provided and reviewed.

At this time, Rachel Govelovich introduced Mike Brown from Gannett Fleming who will be taking over while Rachel Govelovich is on leave.

Dual Temp and MBR pay estimates will be presented at the March Board Meeting.

Mylars and paper copies of the Davis Street Pumping Station Land Development plans were submitted to the Authority today for signatures and recording.

REPORT OF MANAGER

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

Roy White explained that there were a total of eight radial main breaks in January. These main breaks are directly related to the weather conditions.

Authority Projects

- COE Project L2, Phase II – replacement of water main to increase fire flows in South Side Easton

Valves

- Abandoned 6" valve on Charlotte Avenue at Intersection with Greenwood Avenue – Palmer Twp. - and installed new cut in valve.
- Replaced 4" valve at Spruce Street & 8th Street. Valve broke while replacing service laterals to 818 & 820 Spruce Street in City of Easton.
- Repaired 6" valve at Washington Blvd. & 19th Street – Borough of Wilson – Installed new operating nut.

Water Treatment Plant Project

- New chemical feed systems are being activated. Dry chemicals are being replaced by liquid counterparts that will provide more accurate dosing and have a faster reaction time for treating the water.
- The high service pump issues seem to be resolved. The Authority is working on getting a 5 year warranty in place of the one year warranty.
- The high service pumps consist of two variable speed drive pumps, both rated at 6.0 mgd and two constant speed pumps, one rated at 6.0 mgd and the other at 4.0 mgd.

15th Street Tank

- ESWA and Gannett Fleming will move forward with close-out of the contract.

Replacement of Morgan Hill Tanks

- East Tank:
 - Placed into service on November 11, 2008.
- West Tank:
 - Tank was put into service on December 10, 2009.
 - The new fence has been installed.
 - Electrical work has begun and is progressing as weather permits.
 - Various outstanding minor items will be addressed as weather permits over next few months. Some concrete repair (steps and existing valve chamber) will need to wait until weather permits in the spring.

City of Easton Infrastructure Improvement Project

- ESWA staff met with City of Easton to discuss PennDOT required ADA ramps and determine what ramps may be included in various City projects. ESWA was advised at this meeting that ADA ramps may also be required in City right of way, depending upon the extent of the disturbance.
- The land development plans and mylars for the Davis Street Pumping Station will be submitted for signatures and recording by Northampton County in the middle of February.

St. Luke's – Bethlehem Township

- Piping installation is complete (6,000 feet), and construction of the hospital should start in the Spring
- Piping has been installed and tested with exception of redundant connection to 12" water main on Freemansburg Avenue. This will be completed once the Highway Occupancy Permit for the work is issued by PennDOT.

Delaware Terrace Project – City of Easton

- Work at the site began in late January

Leak Detection

- Distribution Personnel were trained on the data logger equipment on February 1st & 2nd and are using equipment throughout the system.

Improvement L2 (Frederick and Ann Street)

- o Gannett Fleming reviewed alternative improvement to the one proposed in City of Easton Distribution System Evaluation and determined the alternative would provide similar results.
- o ESWA personnel completed installation and testing of water mains on Frederick Street & Ann Street
- o The new water mains will be activated when weather allows flushing to be performed.

Route 33 Corridor – City of Bethlehem

- o Administrative Law Judge submitted recommended decision to PUC on January 7th, 2010.

COE Infrastructure Project

- o Additional economic development information provided to DCED on February 1st, 2010.

Emergency Power Program

- o The Authority is looking into marketing of its Generator Excess Capacity. The Water Treatment Plant has a 1.5 megawatt generator, and the Knox Avenue Pump Station has a .5 megawatt generator. Prices are set and determined by megawatt power.
- o The Authority will ask the Board for approval in “New Business”.
- o There is a \$450.00 cost to MetEd for the purchase of an invert meter.

Authority Bad Debt Expense Write-Off

- o 2009 Uncollectable for the suburban area were: \$ 297.71
- o 2009 Uncollectable for the City of Easton were: \$ 3,366.11
- o 2009 Total Bad Debt Expense Write Off: \$ 3,3663.82. The Authority had budgeted \$ 2,400.00 for 2009.

Roy White stated that Total Funds on Deposit totaled \$ 5,648,478.14 on December 31, 2009, and \$ 5,121,384.01 on January 31, 2010.

On a motion from Mr. Colton, seconded by Mr. Barefoot, the January requisitions (items 3185– 3198, totaling \$274,071.55) were approved. No public comment was received.

Motion adopted by the following vote:

Yeas: Barefoot, Bergren, Churchman, Colton, Lockard, Moorehead, Poswistilo, Veresink, Cain (Chairman) (9)

Nays: None

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 Infrastructure Project, Emergency Power Response Program, and operational issues.

Budget & Finance Committee –

Mr. Bergren, Chairperson, stated that the Budget & Finance Committee met on January 27th to review the 5 year Operating Budget, the 5 year Cash Flow Budget, the 2010 Cash Flow Statement, and Revenues from 2010 - 2014.

At this time, Stephanie Kinsell discussed the 2010 Project Status Report, December 2009 Income Statement Budget Comparison, 2010 Cash Flow Forecast, and Debt Obligations (revised 1/31/2010).

Pension Committee –

Mr. Bergren, Chairperson, stated that the Pension Committee met on January 26th to sit down with Kurt Kreisher from Smith Barney (Principal Group). Currently, 2% of all Authority employees' pay goes into their account, plus the Authority matches 50% of the first 6% of employee contributions – maximum amount being 5% going into the pension funds. Currently, there is a total of \$ 1.2 million in these funds.

Roy White will contact Kurt Kreisher regarding the Roth Fund, S&P 500 Comparisons, Fee Information, Real Estate Fund Account, and amount/type of funds offered to employees. In addition, Roy White will complete the Investment Policy Statement, and then present it to the Board.

Personnel Committee –

No Report.

Risk Management Committee -

No Report.

Building Committee –

No Report.

Security Committee –

No Report.

REPORT OF FINANCIAL ADVISOR

Mr. Carl Fleming discussed the Capital Improvement Fund Sheet for the period January 1, 2010 to January 31, 2010.

REPORT OF SOLICITOR

Mr. Thomas Walters stated that the Authority has entered into an agreement with the City of Easton whereby City would request the Authority to terminate water service for City customers delinquent on their sewer bills. Over the next several months, as the city requests us to do so, the Authority will shut off properties inside the city limits for delinquent sewer bills. The Authority personnel will not physically begin the shut offs until April or May of 2010, and the City will inform the public before doing so. This is an administrative matter, so no Board Approval is required at this time. It is statutorily permitted and required that we have an agreement with the city, and the agreement is identical to other agreements we have with Sewer Authorities in Palmer, Bethlehem, Williams, Wilson, West Easton, and Forks Townships. The agreement can be terminated at any point in time, by either party, if determined to do so.

UNFINISHED BUSINESS

No Report.

NEW BUSINESS

The Easton Suburban Water Authority, located at 3700 Hartley Avenue Easton PA, 18045, has selected Comverge, Inc., to act as its Curtailment Service Provider for the PJM Economic Demand, Capacity Market, and/or Synchronized Reserve Demand Response Programs from the date of this Authorization through termination of the Commonwealth of Pennsylvania Department of General Services contract #4400004203, which has received the COSTARS designation, and hereby authorizes Comverge to proceed with the proposed scope of work according to the terms and conditions contained within this contract. Both Comverge and the Easton Suburban Water Authority agree to be bound by the terms and conditions stated herein.

On a motion from Mr. Barefoot, seconded by Mr. Lockard, the Authority approved the Comverge Authorization to Proceed Contract, subject to review by the Authority's Solicitor, Tom Walters. No public comment was received.

Motion adopted by the following vote:

Yeas: Barefoot, Bergren, Churchman, Colton, Lockard, Moorehead, Poswistilo, Veresink, Cain (Chairman) (9)

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Nays: None

ADJOURNMENT

On a motion from Mr. Colton, seconded by Mr. Veresink, the meeting was adjourned at 4:30 PM. No public comment was received.

Respectfully Submitted

Hillary C. Weiss
Recording Secretary