

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

**Easton, PA
Monday
May 17, 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
Timothy A. Cain (Chairman)

Absent: Theodore J. Veresink

Guest: Daryl S. Peck, Concord Public Financial Advisors, Inc.

Also in attendance were Roy A. White, Executive Director; Craig Swinsburg, Assistant Executive Director; Stephanie Kinsell, Business Manager, Erin Rapp, Customer Relations Manager; Chuck Wilson, Miller Environmental; Carl Fleming, Palmer & Company; Thomas Walters, Solicitor; Mike Brown, Gannett Fleming, Inc.; Hillary C. Weiss, Recording Secretary

At this time, Mr. Cain stated that the Easton Suburban Water Authority rescheduled their regular monthly board meeting for the month of May from Monday, May 10th 2010 at 3:00 pm to Monday, May 17th at 3:00 pm at the boardroom of the offices of the Easton Suburban Water Authority, 3700 Hartley Ave., Easton, PA. The notice was published in the Express-Times Newspaper on Thursday, April 22nd 2010.

ACTION ON MINUTES

On a motion from Mrs. Poswistilo, seconded by Mr. Colton, the minutes of April 12, 2010 were approved as presented. No public comment was received.

Motion adopted by the following vote:

Yeas: Barefoot, Bergren, Churchman, Colton, Lockard, Moorehead, Poswistilo, Cain (Chairman) (8)

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

Gannett Fleming is investigating Monroe County funding for the ADA ramps that will be part of the City of Easton infrastructure project.

With regards to the Morgan Hill Tank, Mr. Cain asked if it is common that a new tank have a leak. Mr. White stated that this particular leak is not common, and that the welding around the pipe most likely caused the leak. The leak was immediately addressed and repaired.

Mr. Moorehead asked if the Authority looked into funding from the Toll Bridge Commission for the City of Easton ADA ramps. Mr. White stated that the Authority will continue to investigate this funding opportunity.

Mr. Lockard inquired about the Water Treatment Plant progress. Mr. White stated that there are 298 punch list items that need to be resolved, and there are some hurdles that need to be addressed before final completion.

REPORT OF MANAGER

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

Services

- There were a total of 3 new services, 1 service repair, and 2 service removals in April.

Main Breaks

- There was a total of 1 main break in April in the City of Easton.

Replaced Hydrants

- There were a total of 5 replaced hydrants in the City of Easton in April.

Curb Box Maintenance

- Repaired 11 curb boxes (6 in City of Easton, 5 in Suburban) in April.

Valves Repaired

- Repaired 3 valves (2 in City of Easton, 1 in Suburban) in April.

Water Treatment Plant Project

- SCADA system is being activated and the security system being put on-line.
- Motor Control Center is being completed; however, there are some wiring issues.
- Recycle line is being completed.
- Punch list is being drafted – there are 298 items on the punch list.

Twin Reservoirs

- ESWA and City of Easton are working cooperatively to repave the Twin Reservoirs driveway that has been damaged over the years.

Replacement of Morgan Hill Tanks

- ESWA personnel found a leak in the floor of the West Tank in April.
- ESWA personnel began draining the West Tank on April 19, 2010 so the repair could be made.
- The repair was made on April 22, 2010, after which the tank was disinfected, filled and sampled.
- The tank was placed back into service on April 26, 2010 once the sample results were known.
- All ESWA labor equipment and material used in the repair of the tank will be billed to Welding, Inc.
- ESWA and Gannett Fleming are pushing the contractor to complete the punch list items so the contract can be closed out. ESWA and Gannett Fleming will determine an appropriate deadline date, after which, ESWA will complete the items at the contractor's expense.
- The capacity of each tank is 1 million gallons.

City of Easton Infrastructure Improvement Project

- The advertisement for bids was placed in the newspaper on April 23rd, 2010.
- The pre-bid meetings were held on May 6th, 2010 for both the water main contract and the two pumping station contracts.
- Bids are due to the Authority by 2:00 PM, May 25th, 2010, when they will be opened and read aloud.

Delaware Terrace Project – City of Easton

- The onsite water main installation began in early May and will continue off and on over the next few months.

- ESWA received payment of the construction deposit for the offsite water main improvement on Charles Street.
- The offsite water main improvement includes the installation of 500 feet of 12" water main on Charles St. between Cooper St. and Kleinhans St.
- This improvement will serve as the fire protection feed to the Delaware Terrace Redevelopment Project.
- ESWA received construction deposit in early May and main installation will begin in late May/early June.
- The project should be completed by end of June.

St. Luke's – Bethlehem Township

- No new information received on the redundant domestic service to the hospital facility.

Magnolia Drive Water Main Replacement Project

- Replacement of 1500 feet of 6" cast iron main with 8" ductile iron main.
- Main installation should be completed middle of May.
- Service laterals will be connected to the new water main once the new water main has been installed and tested.
- Project should be completed in late May or early June.

15th Street Tank Project

- Caldwell Tanks has agreed to pay for half of the Authority's Construction Administration costs incurred while the punch list for the project was being addressed.
- ESWA will provide the final payment once the check from Caldwell Tanks in the amount of \$ 9,149.17 is received.

Flushing

- The Knox Ave. West Flushing Program, which includes the area of Bethlehem Twp., west of Rt. 33 and south of Rt. 22, began on April 5, 2010 and was completed on April 19, 2010.
- The Knox Ave. South Flushing Program began on April 20, 2010 and should be completed in late May or early June. This includes the areas of Bethlehem & Palmer Twp. that are south of Rt. 22 and east of Rt. 33.
- The year to date flushing total is: 5,787,195 gallons.

Meters

- New Meter Installations totaled 16, and reinstalled meters totaled 16 in March.
- Meter Changes totaled 97 in March.

Customer Service

- Turn Off & Removal for Final – 11 City of Easton, 13 Suburban
- Turn Off for Non – Payment of Sewer – 2 Suburban
- Turn Off for Non – Payment of Water – 15 City of Easton, 28 Suburban
- Turn Off for Violations (Meter Changes) – 2 City of Easton

- Turn On – 33 City of Easton, 75 Suburban

COE Infrastructure Project

- PENNVEST Board approved \$ 5.27 million loan.
- Request for Proposals for Bank Loans have been distributed.
- Note A in the amount of \$ 5,545,000 for the infrastructure project.
- Note B in the amount of \$ 2,630,000 for ADA ramp possibilities.
- Commonwealth Finance Department grant application due on July 1, 2010; awards will take place in November.
- Metered consumption continues to decrease.
- First Quarter 2010: -4.2%.

On a motion from Mr. Lockard, seconded by Mr. Colton, the April requisitions (items 3230– 3250, totaling \$727,812.84) were approved. No public comment was received.

Motion adopted by the following vote:

Yeas: Barefoot, Bergren, Churchman, Colton, Lockard, Moorehead, Poswistilo, Cain (Chairman) (8)

Nays: None

Roy White stated that Total Funds on Deposit totaled \$5,717,025.24 on March 31, 2010, and \$5,793,275.46 on April 30, 2010.

REPORT OF COMMITTEES

Executive Committee –

Mr. Cain, Chairperson, stated that the Executive Committee met prior to the Board Meeting to discuss several financial business items including Concord Public Financial Advisors, Inc.

Budget & Finance Committee –

Mr. Bergren, Chairperson, stated that the Budget & Finance Committee met immediately after the Executive Committee to discuss the City of Easton Infrastructure Project financing. The Authority is looking for a total of 13.5 million dollars to cover the upcoming projects. Lafayette Ambassador Bank seemed to give the Authority the best 7 year proposal rate, and the Finance Committee will recommend this option to the Board.

The Finance Committee will meet on Thursday, May 27th at 3:00 PM to review the 2009 Audit.

At this time, Daryl S. Peck of Concord Public Financial Advisors, Inc. distributed and discussed the Authority's Capital Projects Financing Program – Results of Bank Loan Proposals & Comparison to Bond Issue. A total of 23 banks were solicited, and 6 came back with proposals. Concord Public Financial Advisors, Inc. recommends that the Authority select the 7 year, 3.8% proposal from Lafayette Ambassador Bank. The rate can be reset or renegotiated at any time, and the proposal is good until June 15th, 2010.

At this time, Stephanie Kinsell discussed the May 2010 Project Status Report, 2010 Cash Flow Forecast, Debt Obligations (revised 4/30/2010), and the March 2010 Income Statement.

Pension Committee –

No Report.

Personnel Committee –

No Report.

Risk Management Committee -

Mr. Moorehead, Chairperson, stated that the Risk Management Committee met on April 26th to discuss Liability and workers compensation insurance. The Authority is covered under the Municipal Immunity Law. The Committee would like firm bids in by the beginning to mid June. Also, the Committee will need to meet the middle to end of June to review the proposal. The Board will need to vote on the Insurance Package proposal at the July Board Meeting for August renewal.

Building Committee –

No Report.

Security Committee –

Mr. Churchman, Chairperson, stated that The Security Committee met at the Water Treatment Plant on April 22nd to review security upgrades, including the alarm and security systems.

Mr. Bergren stated that the security training has been implemented for plant employees.

REPORT OF FINANCIAL ADVISOR

Mr. Carl Fleming discussed the Capital Improvement Fund Sheet for the period April 1, 2010 to April 30, 2010.

The 2009 Audit has been completed and draft copies have been distributed.

REPORT OF SOLICITOR

Mr. Thomas Walters discussed the draft copy of proposed Authority's public comment policy. Mr. Ted Veresink recommended this policy be in place for future Board Meetings. Mr. Tim Cain stated that the Board will review the proposal, and will put this on the agenda for the June Board Meeting when Mr. Veresink is present.

UNFINISHED BUSINESS

No Report.

NEW BUSINESS

No Report.

ADJOURNMENT

On a motion from Mr. Cain seconded by Mr. Barefoot, the meeting was adjourned at 4:07 PM. No public comment was received.

Motion adopted by the following vote:

Yeas: Barefoot, Bergren, Churchman, Colton, Lockard, Moorehead, Poswistilo, Cain (Chairman) (8)

Nays: None

Respectfully Submitted

Hillary C. Weiss
Recording Secretary