

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

**Easton, PA
Monday
September 13, 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
Charles W. Churchman
R. Kirkwood Colton
Donald W. Lockard
Michael G. Moorehead
Margaret H. Poswistilo
Theodore J. Veresink
Timothy A. Cain (Chairman)

Absent: Robert J. Bergren

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; Carl Fleming, Palmer & Company; Rachel Govelovich, Gannett Fleming, Inc. Ed Sieger; Express Times Newspaper

ACTION ON MINUTES

On page, 4227, Action on Minutes 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 page, 4232, Unfinished Business should read, "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."

On page, 4233, Unfinished Business should read, “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.”

On a motion from Mr. Colton, seconded by Mr. Veresink, the minutes of August 9, 2010 were approved as presented. No public comment was received.

Motion adopted by the following vote:

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

Nays: None

COURTESY OF THE FLOOR

There was no comment from the floor at this time.

REPORT OF ENGINEER

PENNVEST has completed The Notice to Proceed letter, and it will be submitted to the Authority this week.

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

REPORT OF MANAGER

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

Services

- There was a total of three new service and one service replacements in August.

Main Installation

- There was a total of 875’ of 8” main installed in August.

Curb Box Maintenance

- There were two curb boxes repaired in August.

Blow Offs

- There was one blow off installed in August.

Water Treatment Plant Project

- SCADA systems being activated.
- Security system being put on-line.
- Motor Control Center being completed.
- Recycle line being completed.
- Punch list items being addressed.
- Plant to be tested at 13 MGD to verify SCADA chemical and pumping rates. PADEP final inspection will be tested at 16 MGD.

Woodridge Falls III Project (Palmer Twp.)

- Water Main Installation began in late August and is expected to continue off and on for the next few months.

Delaware Terrace Project – City of Easton

- The onsite water system has been installed and tested, and the installation of service laterals has begun.

Kleinhans Street Water Main Replacement

- ESWA personnel began installing new water main on Kleinhans Street on August 16, 2010.
- The new 8” water main between Charles Street and Frederick Street has been installed and tested.
- All water system work began August 16th and should be completed by the end of September.

City of Easton Infrastructure Improvement Project

- Preconstruction Meeting held on September 9, 2010 at ESWA’s office.
- The Notice to Proceed for all contracts should be issued on September 13, 2010.
- The Contractor of Contract I, part B and C (Joao & Bradley) hopes to begin working on September 20, 2010, beginning on Lincoln Street in the South Side area of the City. The crew hopes to start a second pipe crew on Butler Street the week of September 27, 2010.

Palmer Tank Project

- ESWA should be receiving plans and specifications in September. The project is anticipated to be put out to bid in late 2010, with work beginning in the spring of 2011.

Flushing

- The Knox Avenue Central Flushing Program began on July 27, 2010 and was completed on August 10, 2010. This includes the area of Palmer Township south of Park Avenue, east of Greenwood Avenue and north of Route 22.
- The North High North Flushing Program began on August 11, 2010 and should be completed the week of September 13, 2010. This includes the northern area of Forks Township.

- The North High South Flushing Program will begin the week of September 13, 2010 and should be completed by the beginning of October. This includes the southern areas of Forks Township.

Meters

- New Meter Installations totaled twelve, and reinstalled meters totaled ten in August. Meter Changes totaled 72, and MTU Installations totaled 93 in August

Customer Service

- Turn Off for Repairs – 6 Total
- Turn Off & Removal for Final – 11 Total
- Turn Off for Insufficient Funds – 2 Total
- Turn Off for Non-Payment of Water – 42 Total
- Turn On – 60 Total

Power Purchasing Consultant

- There are six different power generation entities doing business in this area. The Power Purchasing Consultant would solicit bids from the different electric generation companies.
- Solicitor Tom Walters is reviewing the Service Agreement.

Rates

- Rate increase information was published in the Express-Times and Morning Call Newspapers.
- Erin Rapp and Tim Ryan posted rate increase information on the website for customers.

On a motion from Mr. Barefoot, seconded by Mr. Colton, the September requisitions (items 3287– 3292, totaling \$ 160,444.18) were approved. No public comment was received.

Motion adopted by the following vote:

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

Nays: None

Roy White stated that Total Funds on Deposit totaled \$ 4,426,362.66 on June 31, 2010, and \$4,090,907.38 on August 31, 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, Pennsylvania Infrastructure Investment Authority, and the Authority's Manpower Allocation Plan.

The Manpower Allocation Plan was distributed to the Board members, and will be discussed at the October Board Meeting.

Budget & Finance Committee –

Mr. Cain stated that a Budget & Finance Committee meeting will be scheduled when Mr. Bergren returns from vacation.

At this time, Stephanie Kinsell discussed the September 2010 Project Status Report, Debt Obligations (revised 8/31/2010), 2010 Cash Flow Forecast, and the July 2010 Income Statement – Budget Comparison Sheet.

Pension Committee –

No Report.

Personnel Committee –

No Report.

Risk Management Committee –

No Report.

Building Committee –

No Report.

Security Committee –

No Report.

REPORT OF FINANCIAL ADVISOR

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

Come October, Roy White may request that the Board split the due CD into two separate CD's to pay contractors on the City of Easton Infrastructure Project.

REPORT OF SOLICITOR

Mr. Thomas Walters stated that he prepared a resolution that authorizes the Chairman/ Vice Chairman and Secretary/ Assistant Secretary to execute a Highway Restoration Maintenance Bond for the City of Easton Infrastructure Project. The Bond is a PENNDOT requirement that should be noted as a separate resolution. The Board will take action under Unfinished Business.

The Authority is still waiting on the Intercreditor Agreement from PENNVEST to close on our bank funding for the Easton Project. To expand, when a financial lender lends the Authority funds, the financial institutions are looking for a security interest. In the past, our lenders have always agreed to enter into an Intercreditor Agreement which provides parity for all lenders. In July, Solicitor Tom Walters requested that the Agreement be signed by PENNVEST, and this request was followed by email and other correspondence. The consent was provided to the Authority on Friday, September 3rd, but did not mention First Niagara Bank. Solicitor Tom Walters informed PENNVEST of the missing information on the agreement. The Authority cannot take any actions with regards to the two banks until the agreement is resubmitted. Once PENNVEST approves the agreement and signs it, the Authority can schedule the closing the next day.

UNFINISHED BUSINESS

On a motion from Mr. Veresink, seconded by Mr. Lockard, the Authority approved the resolution that the Easton Suburban Water Authority hereby authorizes the Chairman or the Vice Chairman, and the Secretary or the Assistant Secretary, to execute a certain Highway Restoration and Maintenance Bond if needed for the City of Easton Water Distribution System Improvements Project, as well as any additional documents associated therewith and consistent therewith, as required by the Pennsylvania Department of Transportation. No public comment received.

Motion adopted by the following vote:

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

Nays: None

Mr. Barefoot inquired about the costs of the handicap ramps for the City of Easton Infrastructure Project. The Authority worked with the state to assist us in the design of the ramps. Mr. Lockard questioned whether the Authority can hold the City of Easton responsible with any of the replaced city ramps. Craig Swinsburg stated that he is unclear how the permit approval process works when dealing with the City of Easton. Roy stated that the City of Easton does not have any written policies on the specifications of these ADA ramps.

Mr. Barefoot questioned whether the Authority should start an H2O customer assistance program. The Authority turned off approximately forty services last month; however, it did send out a great number of customer notices before turning off water. The Authority also gave customers ample time to pay their bills. Roy White stated that Pennsylvania America is currently involved with a customer assistance program, and the Authority will investigate their arrangements with customers.

NEW BUSINESS

On August 23rd the Authority received a phone call stating that a driver hit the Morgan Hill tank in a vehicle accident. After the accident, the car was stuck inside the fence coming down Morgan Hill Road in Williams Township. The driver was not harmed during the accident.

ADJOURNMENT

On a motion from Mr. Colton, seconded by Mr. Veresink, the meeting was adjourned at 4:18 PM. No public comment was received.

Motion adopted by the following vote:

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

Nays: None

Respectfully Submitted

Hillary C. Weiss
Recording Secretary