

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

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

Absent: Wayne Barefoot, Robert J. Bergren

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; Rachel Govelovich, Gannett Fleming, Inc.; Mike Brown, Gannett Fleming, Inc.; Hillary C. Weiss, Recording Secretary

ACTION ON MINUTES

Page 4182, Report of Engineer should read "Report of Manager, Route 33 Corridor..."

Page 4185, Charles Street should read, "Improvement L2 (Frederick St. and Ann St.)."

Page 4185, Authority Bad Debt Expense Write-Off should read, "2009 Total Bad Debt Expense Write Off: \$4,663.82."

On a motion from Mr. Moorehead, seconded by Mr. Veresink the minutes of February 8, 2010 were approved as presented. No public comment was received.

Motion adopted by the following vote:

Yeas: Churchman, Colton, Lockard, 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 February 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.

Roy White explained that there were a total of seven main breaks in February. The new electronic data loggers have proven to be beneficial in locating leaks.

Replaced Hydrant

- Washington Boulevard & 19th Street in Borough of Wilson. The hydrant was damaged at this location by an unknown vehicle.

Valves

- Repaired 6" valve at Old Orchard Drive & Huegel Street in Palmer Township

Water Treatment Plant Project

- The new liquid Sodium Permanganate feed system was put on line. This particular chemical is fed between April 1st to October 1st to reduce taste and odor problem caused by algae growth in the river. The liquid form will increase effectiveness of the permanganate.
- The storage tank for the new caustic soda (pH control) feed system was installed.
- New chemical feed systems being activated at the plant are hydrofluosilicic acid (fluoride), zinc orthophosphate (corrosion control) and polymer (coagulant aid).
- The high service pump issue seems to be resolved. The Authority has requested additional warranty time of 3 to 5 years for the pump only. Currently, our warranty is 1 year on the pumps.
- Security cameras being put on line at the plant.

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.
- Site restoration work will begin soon

City of Easton Infrastructure Improvement Project

- ADA Ramps
 - In accordance with requirements of PennDot highway occupancy permits ESWA will be required to install 34 ADA ramps in intersections within State right-of-way. The remaining 24 will be installed by the City.
 - ADA ramp requirements within City right-of-way is still under discussion.
- ESWA will be responsible for the repair/replacement of any damaged decorative crosswalks on Cattell Street as part of the project. ESWA may be required to install crosswalks on some portions of North 3rd Street.
- The land development plans and mylars for the Davis Street Pumping Station have been submitted to the City of Easton for signatures and will be recorded after they are returned.

St. Luke's – Bethlehem Township

- Highway Occupancy Permit received for redundant 12" water main crossing on Freemansburg Avenue. The main should be installed and tested by the end of March.
- Hospital construction will begin in the spring.

Delaware Terrace Project – City of Easton

- ESWA cut and capped the three 6" water mains that served the area.
- ESWA lowered the fire hydrant lateral for the hydrant at East Kleinhans Street & Frederick Street due to a conflict with the proposed storm sewer main.
- The existing service laterals on the streets surrounding the project have been abandoned.
- The installation of the offsite water main improvement on Charles Street will be performed by ESWA once the construction deposit has been paid to ESWA. It is anticipated that the construction deposit should be paid by the end of March.

Customer Service

- Turn Off & Removal for Final – 7 City of Easton, 2 Suburban
- Turn Off for Insufficient Funds – 1 Suburban
- Turn Off for Non-Payment of Sewer – 7 Suburban
- Turn Off for Non –Payment of Water – 6 City of Easton, 7 Suburban
- Turn Off for Violations (Meter Changes) – 19 City of Easton

- The Authority has entered into an agreement with the City of Easton whereby the City would request the Authority to terminate water service for City customers delinquent on their sewer bills.

COE Project L2, Phase II, Charles Street:

- Water mains installed and tested on Frederick Street & Ann Street.
- The new water mains will be activated when weather allows flushing to be performed.
- Service laterals will be transferred to new main on Frederick Street and existing 3" water main on Frederick Street will be abandoned in March.

Route 33 Corridor – City of Bethlehem

- Public Utility Commission final order entered into on February 16, 2010, accepting ALJ's recommendation of the Settlement Agreement.

COE Infrastructure Project

- PENNVEST Board meeting on March 23, 2010.
- Commonwealth Finance Department grant application due on July 1, 2010, awards will take place in November.

Lafayette Line of Credit

- \$3,000,000 for three years,
- 60% of Wall Street Journal Prime with a floor of 2.4%.

457B Defined Contribution Plan Investment Policy

- Due to changes in ERISA – new draft being worked on

Additional Construction Projects

- Trio Farms in Lower Nazareth Township – Variance request being discussed for 300 singles/town homes and 120 apartments.
- Lowes Home Improvement in Lower Nazareth Township – Initial municipal application process.
- Woodridge Falls in Palmer Township – Contractor progressing through municipal approval for 300 apartments and 100 town homes.

Tim Cain inquired about the worst case scenario for the costs of reconstructing the city cross walks and ADA ramps. Roy White stated the crosswalks and ramps could cost the Authority up to \$ 2.5 million dollars; however, this issue needs to be looked into more closely.

On a motion from Mr. Churchman, seconded by Mr. Lockard, the February requisitions (items 3199– 3216, totaling \$485,897.66) were approved. No public comment was received.

Motion adopted by the following vote:

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

Nays: None

Roy White stated that Total Funds on Deposit totaled \$5,121,384.01 on January 31, 2010, and \$4,766,583.80 on February 28, 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 PENNVEST, Lafayette Line of Credit, and the East Penn Bank Loan.

Budget & Finance Committee –

No Report.

Pension Committee –

Mr. Cain stated that Roy White is still looking into the Authority's Investment Policy that will eventually need Board review.

Personnel Committee –

No Report.

Risk Management Committee -

No Report.

Building Committee –

No Report.

Security Committee –

No Report.

REPORT OF FINANCIAL ADVISOR

In place of Carl Fleming, Mr. Tim Cain discussed the Capital Improvement Fund Sheet for the period February 1, 2010 to February 28, 2010.

At this time, Stephanie Kinsell discussed the 2010 Project Status Report, 2010 Cash Flow Forecast, Debt Obligations (revised 2/28/2010), and the January 2010 Income Statement.

The Authority should be receiving a \$30,000.00 credit from Met-Ed for an inaccurate meter reading at the Water Treatment Plant.

REPORT OF SOLICITOR

Mr. Thomas Walters stated that the Authority has requested that the Board take action on a certain proposal from Lafayette Ambassador Bank for borrowing by the Authority in the aggregate principal amount of up to three million dollars (\$3,000,000.00) as a revolving line of credit to finance the improvements and upgrades to the water distribution system in part as leased by the Authority from the City of Easton pursuant to a certain agreement dated December, 2006; and to pay costs and expenses of securing such loan, authorizing the execution and delivery of a pledge of anticipated revenues and accounts receivable as more specifically defined in said proposal; approving the form, terms and conditions of a certain commitment letter dated the 2nd Day of March, 2010, by Lafayette Ambassador Bank; authorizing the execution of loan documents and proving for the authentication of delivery thereof; and all such other matters consistent with said loan agreement.

The Lafayette Ambassador Bank line of credit will be in the amount of up to \$3,000,000.00 for 36 months with an interest rate of 60% of Wall Street Journal prime and a floor of 2.4%.

UNFINISHED BUSINESS

No Report.

NEW BUSINESS

On a motion from Mr. Moorehead, seconded by Mr. Veresink, and with the recommendation of the Executive Committee the Board adopted a resolution authorizing the Authority to accept the proposal of March 2, 2010 of Lafayette Ambassador Bank to provide the Authority with a line of credit up to three million dollars under the terms and conditions as more specifically set forth in said proposal including the providing of security in the form of a pledge of anticipated revenues, accounts receivable by the Authority to secure such financing. (Resolution Attached). No public comment received.

Motion adopted by the following vote:

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

Nays: None

Roy White stated that the Authority will have to provide a check to the Department of Treasury for unclaimed property in the amount of \$516.96.

Erin Rapp stated that the Authority would like to increase the unauthorized water use fee and the unauthorized connection fee from \$10.00 a day to \$50.00 a day. The present fee of \$10.00 a day, in the Authority's Rules and Regulations was approved in 1962.

On a motion from Mr. Colton, seconded by Mr. Veresink, the Authority authorized changing Appendix C in the Authority's Rules and Regulations to increase the unauthorized water use fee and the unauthorized connection fee from \$10.000 to \$50.00 a day based on the Solicitors review. No public comment received.

Motion adopted by the following vote:

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

Nays: None

ADJOURNMENT

On a motion from Mr. Colton, seconded by Mr. Veresink, the meeting was adjourned at 4:20 PM. No public comment was received.

Respectfully Submitted

Hillary C. Weiss
Recording Secretary