

**EPHRATA AREA JOINT AUTHORITY
MINUTES – JUNE 9, 2022**

The Ephrata Area Joint Authority met on Thursday, June 9, 2022, at 7:00 PM, in the Council Chambers of Borough Hall, 124 S. State Street, Ephrata, PA.

In attendance were Thomas Reinhold, Chairman; Gary Landis, Vice Chairman; Steve Sawyer, Treasurer, Greg Schmuck, Assistant Treasurer; as well as Members Timothy Barr and Clark Stauffer.

Also in attendance were Scott Hughes, Gannett Fleming; Attorney Aaron Zeamer, Russell, Krafft & Gruber, LLP (via video conference); Debra Bartow, Assistant Secretary; Stephen Morrison, Director of Utilities; Scott Mohn, Water Operations Manager; and Stephanie Fasnacht, Recorder.

Call to Order

Chairman Reinhold called the meeting to order at 7:03 PM.

Adoption of Agenda

Ms. Bartow provided confirmation of the following:

1. The meeting agenda was posted on the Borough's website and at Borough Hall no later than 24 hours in advance of the time of the meeting.
2. The meeting agenda included a listing of each matter of Authority business that will be or may be the subject of deliberation or official action at the meeting.
3. There were no changes made to the meeting agenda after it was posted.
4. The meeting agenda was made available to individuals in attendance at the meeting.

Chairman Reinhold asked if there were any requests to add a matter of Authority business to the meeting agenda. Ms. Bartow advised there is a request to add an Action Item involving an emergency repair to the Lincoln Tank. Chairman Reinhold asked for a motion to accept the requested Action Item as relayed by Staff. Mr. Barr moved and Mr. Schmuck seconded to approve the added Action Item to the meeting agenda. The motion carried unanimously.

Chairman Reinhold then asked for a motion to accept the amended meeting agenda. Mr. Landis moved and Mr. Barr seconded to approve the amended meeting agenda. The motion carried unanimously.

Approval of Minutes – May 12, 2022

Mr. Sawyer moved and Mr. Barr seconded to approve the meeting minutes of May 12, 2022. Motion carried unanimously.

Visitor Comments

With no visitors in attendance wishing to address the Board, Chairman Reinhold moved onto the discussion of the Financial Reports.

Financial Reports

After a brief discussion of the financial reports, Mr. Stauffer moved and Mr. Sawyer seconded to receive and file the financial reports. Motion carried unanimously via roll call vote.

Payment of Bills

After a brief discussion of the payment of the bills, Mr. Landis moved and Mr. Barr seconded to ratify the payment of the bills. Motion carried unanimously via roll call vote.

Action Items**a. Resolution 2022-2: 2022/2023 Proposed Budget and Program of Services**

Mr. Landis moved and Mr. Barr seconded to adopt Resolution 2022-2 2022/2023 Proposed Budget and Program of Services. Motion carried unanimously via roll call vote.

Prior to the vote, a discussion was held regarding a possible rate increase due to the rising costs being incurred. Mr. Landis commented his preference is to increase rates by a smaller increment now rather than by imposing a larger rate increase later to “catch up.” Chairman Reinhold inquired if a rate increase can be done at any time or if it has to be done along with the adoption of the proposed budget; in which, Ms. Bartow advised that the Board can adopt a Resolution at any time to amend the budget. Ms. Bartow further advised her preference would be to provide proper notification of any rate increase to the customers prior to an increase being imposed.

Mr. Sawyer, in referencing the budgeted Capital Projects, stated he would like to see some of the projects postponed due to the rising costs being experienced if they are not mandatory and could be placed on hold for a bit. Mr. Stauffer commented that in his review of the proposed budget, he is seeing a trend of getting deeper into debt and he would appreciate a serious review of the Capital Projects to see if any could be delayed. Mr. Sawyer commented he is in agreement with Mr. Landis regarding the implementation of a smaller rate increase sooner rather than later.

Mr. Landis advised he would appreciate if a recurring discussion item could be added to future meeting agendas related to the Board receiving information pertaining to energy costs as “... this is an important thing we do ... we supply water.”

Mr. Stauffer commented that he is in agreement with the suggestion by Mr. Landis to implement a rate increase in the near future as he feels that people are more accepting of these increases due to the current economic situation.

In responding to Chairman Reinhold’s inquiry of how quick is a turnaround of the initiation of a rate increase, Ms. Bartow advised that it would be a courtesy to provide customers with at least one billing cycle’s notice. Ms. Bartow clarified the Board wishes Discussion Items for the consideration of a possible rate increase as well as the deferment of any non-mandatory capital projects be added to future meeting agendas; in which, the Board was in agreement to do so. Mr. Stauffer related that he would like to see the customers receive a “heads up” that a rate increase may be forthcoming; in which, Ms. Bartow advised notification could be included with an upcoming billing statement if the Board wishes to do so. Mr. Hughes commented that it doesn’t hurt to over communicate to customers by proactively implementing a rate increase.

Ms. Bartow advised the Board typically implements a 6% rate increase every other year and that this budget year is an “off” year. Ms. Bartow inquired as to what the proposed

rate increase would be for the customers; in which, Mr. Sawyer advised the amount would depend on what the budget looks like as well as the amount of expenditures. Attorney Zeamer clarified while the Board has historically implemented a rate increase with their adoption of the budget, the Municipal Authorities Act allows a rate increase at any time.

b. Lincoln Tank: Unbudgeted Expense up to \$50,000 for Emergency Repairs

Mr. Sawyer moved and Mr. Stauffer seconded to approve an unbudgeted expense up to \$50,000 for emergency repairs to the Lincoln Tank. Motion carried unanimously via roll call vote.

Prior to the vote, Mr. Morrison showed a video to the Board of a ¼” hole at bottom of the Lincoln resulting in the leaking and loss of 15-30 gallons of water per minute which was discovered by water personnel while completing their routine tour of the facility.

After the location of the source of the leak by DN Tanks and notification to DEP, Mr. Morrison advised he reached out to two companies who provided the following solutions: (1) drain the tank and install a steel plate in the epoxy; or (2) install a mechanical plug under pressure/no draining. Mr. Morrison further advised he received cost information from one company and is awaiting a quote from the other; however, he is confident the repair will not cost more than \$50,000. Mr. Mohn commented that the mechanical plug option is the better of the two solutions and that quote has not yet been received. Chairman Reinhold inquired as to how quickly the repair work could be completed; in which, Mr. Morrison advised it is hopeful to have it completed in one to three weeks.

After additional discussion of the possibility of locating additional issues while completing the repair work (i.e., corrosion, weak spots, etc.), as well as the hole itself not being perfectly round resulting in the adjustment of the plug, Mr. Hughes suggested that the Board may want to move the Lincoln Tank Capital Project up on the list for completion.

Mr. Stauffer inquired as to where the leaking water is going; in which, Mr. Mohn advised that the water is going into the ground with no issues advising there are no streams in the nearby area for runoff issues. Mr. Mohn additionally advised that both the Pioneer Fire Company and Lincoln Fire Company have been made aware of the leak and have initiated alternate plans. Mr. Morrison commented one positive is that no calls have been received by customers regarding a lack of water pressure in that area as a result of the leak.

Operations Report

- System demand 1.8mgd average for the month of May
- Month of April: 80.7% accounted for water
- Walnut Tank Project: There is one item so far that needed attention outside the original scope of work. The original vent cap had blown off and is being replaced. Overall, the project is going well and the tank structure looks to be in good shape.
- Installation of 6” T’s on drain pipe in pit for Walnut and Pine is complete.
- Installation of the fire hydrant at Pine Tank is complete.
- Plant Tour:
 - Ephrata High School Students

Next Meeting Date

The next meeting date is Thursday, July 14, 2022, at 7:00 PM.

Adjournment

Mr. Landis moved and Mr. Barr seconded to adjourn the meeting. The meeting was adjourned at 7:55 PM.

Respectfully submitted,

Michael R. McKenna, MPA
Secretary

SJF