

**EPHRATA AREA JOINT AUTHORITY
MINUTES – AUGUST 15, 2013**

The Ephrata Area Joint Authority met on Thursday, August 15, 2013 at 7:00 PM in the Conference Room of Ephrata Borough Hall, 124 South State Street.

In attendance were members Clark Stauffer, Chairman; Justin Harnish, Vice Chairman; Steve Sawyer, Treasurer; and Member Steve Doster. Assistant Treasurer Dale Hertzog and Assistant Secretary Greg Schmuck were absent. Also attending were Gail Bare, Secretary; Robert Thompson, Borough Manager; Scott Hughes, Gannett Fleming; Attorney Gary Krafft; and Kathy Holzinger, Recorder.

Call to Order – Chairman Stauffer

Approval of Minutes – June 20, 2013

Motion by Mr. Harnish, seconded by Mr. Sawyer, and unanimously passed to approve the minutes of June 20, 2013.

Visitor Comments – There were no visitors present

Financial Report – June/July 2013

Mrs. Bare said yearend we finished about \$49,000 under budget on the revenue side; a good portion of that was because the Nextel contract ended and that accounted for about \$12,000-13,000. Also ended up about \$32,000-33,000 under on the operating expenditures. We have remaining in the operating fund just over \$900,000. In the remaining fund balance in the supply reserve account we have about \$870,000 so at this point our total fund balance is \$1,772,000. We reduced the fund balance by \$132,000 over the prior year. It was discussed to pay off the debt service. We didn't want to raise rates, because we only have two years and then our debt service will drop.

EAJA is still in a very healthy position. Government finance says you should have 3-6 months in reserve; we have a little over four months in reserve in the operating fund.

Mrs. Bare said there is never a lot in the first month of the year. We are a little under in revenues by \$8,000. We are under in operating expenses by about \$30,000 against budget. In July EAJA received \$23,613 from Nextel.

Payment of Bills – July /August 2013

There were four check disbursements. Check runs were on July 8 for \$8,333.31; one on July 18 for \$160,387.84; and one on August 1 for \$12,410.87; and August 15 for \$316,922.13 for a total of \$498,054.15.

Motion to receive and file the financial report and pay the bills of \$498,054.15 was passed unanimously by roll call vote.

Request to Reduce Financial Security Ephrata GF, LP (Giant)

Mr. Thompson said this request is for the water main to serve the Ephrata GF site where Giant is going in. The original security was \$250,313.25. Work has been done, and we are reducing the

security down to 15% and are recommending a reduction of \$206,948.37 leaving a remaining balance of \$43,364.88.

Motion by Mr. Sawyer, seconded by Mr. Doster to reduce the escrow account down to \$43,364.88 for Ephrata GF, LP (Giant). Motion passed unanimously.

Netlinx Request

Mr. Thompson said included in the packet is an e-mail from a wireless, internet provider that is interested in putting antennas on our tank. Nextel removed their antennae from our tank, and we are no longer generating revenue there. Mr. Thompson asked if the board had any objection to staff having discussions with them and negotiating an amount. Staff will come back to the board with whatever the contract would look like and have the solicitor review. In their e-mail some of their attachments started at \$100/month and some of them go up to \$1,000/month for a ten-year period. Mr. Thompson said for comparison the T-Mobile rent that we are currently receiving is \$1,465/month and the Nextel was just shy of \$2,000/month. Mr. Thompson said our objective would be to use those numbers and try to get them to at least \$1,000/month.

Mr. Thompson said they are proposing to put two antennas on the railing. We will not allow them to run the wire down the outside of the tank.

The Board was in agreement to have staff negotiate with Netlinx.

Engineering Report

Mr. Thompson said included in the supplemental packet was a copy of correspondence from Mr. Krafft to PennDOT. There is also a second correspondence to Pennsy Supply who was the actual contractor who did the work on the bridge. Pennsy's letter has not gone out yet. Pennsy's letter recognizes that they have a pipe division and many times when they have claims they send out the pipe guys to make repairs or fix it. The drafted correspondence provides them with that alternative.

Mr. Thompson said he will advise the board as he receives feedback in response to the letters.

Mr. Krafft said the problem with this situation is the damage occurred probably three years ago. EAJA discovered a water loss about one year ago; the real place of the water loss within the last three months. It becomes a question of when we knew that there was a problem.

Mr. Krafft said the correspondence to Pennsy Supply invites them to talk to us about finding a suitable remedy.

Mr. Thompson said the bridge construction began in early 2009. In the fall of 2009 our water system started experiencing increased unaccounted for water losses, and we did a full system leak detection in the fall of 2012 upon which that piece of water line was isolated and determined to be the source of the leak. It wasn't until June 2013 that we actually exposed the leak and it happened to be adjacent to the work done by the contractor and PennDOT.

Mr. Thompson said the second item is at the last meeting there was discussion about SRBC's condition statement for the water supply plan. Since that time, Mr. Thompson has been in

contact with SRBC. Initially we advised SRBC that we have done a number of things in house to try to stabilize our water supply situation, and we informed them that we wanted to pursue discussions with Akron related to water supply. It is likely that will take longer than six months, because SRBC wanted us to tell them by January what our intentions were. We were going to ask for an additional year of time to do that.

Mr. Thompson talked to Mr. Steve Snyder who has a direct relationship with a member of SRBC , and they said they think our plan is a good one and would recommend approving it if EAJA sent it.

Staff started working on this and as the response was being developed and staff factored in the extra 300,000 gpd of water recovered as a result of the leak under the creek staff contacted Gannett and asked them to revise our 15 and 25 year projections for demand. Rather than ask for an extension of time to meet the conditions staff actually believes they fulfilled the conditions of the water supply plan because we reduced our demand by 300,000 gpd which equates to us increasing our supply by 300,000 gpd. It's like adding an extra supply source which is what the water supply plan said.

The revised plan that we will submit to SRBC states we reduced the water demands by 300,000 gpd, that we are operating the system differently that if the same situation were to occur and we could not use the surface water supply the way we are currently managing the system we would be able to deal with the 15 and 25 year demands and that the demands are actually less than what our supply permitted withdrawal numbers are from groundwater only.

Mr. Thompson said we believe EAJA's response meets their intent to make sure we have adequate supply. Mr. Thompson said we are basically saying we believe we fulfilled our requirements and we don't need to do anything else. However, we will continue to have discussions with our adjacent neighbors to the north and south to see if we can come up with an agreement for emergency supply if needed. The only thing preventing us from sending that correspondence on is Steve Snyder said that since it represents a different approach to what he spoke to SRBC about previously he suggested that we speak to them about our revised approach before sending the letter. Mr. Thompson said we are trying to contact SRBC now.

Mr. Thompson said staff will submit the letter under the signature of the Secretary of the Authority and wait for their response.

Next Meeting Date – September 19, 2013

Adjournment

The meeting was duly adjourned at 7:28 PM.

Respectfully submitted,

Gail M. Bare
Secretary