

**ERIE WATER WORKS  
BOARD MEETING  
September 19, 2024  
AGENDA**

- I. Roll Call**
- II. Approval of Minutes August 15, 2024 Board Meeting**
- III. Public Comments**
- IV. CEO Report (page 2)**
- V. Finance Committee**
  - A. General Report (pages 3-8)**
  - B. Capital Budget Transfer (pages 9-10)**
    - Resolution #091924-01
  - C. Asset Disposal (pages 11-13)**
    - Resolution #091924-02
  - D. Miscellaneous Fees (pages 14-16)**
    - Resolution #091924-03
  - E. Ratification of Staff Monthly Invoices (page 17)**
    - Resolution #091924-04
- VI. Capital Improvements Committee**
  - A. General Report (pages 18-23)**
  - B. Grant Application – Greene Township Water Main Extension Project Phase 2 (page 24)**
    - Resolution #091924-05
  - C. Grant Application – Clark Road Water Main Extension Project (page 25)**
    - Resolution #091924-06
- VII. Human Resources Committee**
  - A. Executive Compensation (page 26)**
    - Resolution #091924-07
- VIII. Pension Plan Committee**
  - A. General Report (pages 27-30)**
- IX. Old Business**
- X. Solicitor's Report**
  - A. General Report (page 31)**
- XI. New Business**
- XII. Adjournment**

## ERIE WATER WORKS

### Chief Executive Officer's Report

September 19, 2024

1. Employee Engagement
  - a. Labor Day Parade - September 2nd
  - b. Employee Appreciation Dinner is October 11th at the 1020 Collective
2. Stakeholder & Community Outreach
  - a. Gannon Job Fair - September 17th
  - b. Diggers & Dumpers Event @ Erie County Technical School - September 27th & 28<sup>th</sup>
  - c. Children's Water Festival Asbury Woods – September 30<sup>th</sup> – October 4<sup>th</sup>
3. Industry Involvement
  - a. PMMA Annual Conference in Hershey, PA
  - b. Will have details for a Fall Region 8 meeting soon
4. Grants
  - a. Two \$1M Local Share Account (LSA) grant applications for water system expansion are to be submitted as will be recommended by the CIP Committee
  - b. We are working on two EPA Community Change Grants; One as a lead applicant with Groundwork Erie and Gannon, and the other as a Collaborating Partner with Gannon as the lead applicant.
5. Other
  - a. Agreement struck with the Erie Yacht Club, the City of Erie, and the Erie Western Port Authority to replace the water main to the club to provide enhanced fire protection to support the club expansion. This included easements allowing for the construction to occur.
  - b. Executive Session – Personnel

## Executive Finance Report

August 2024

The month of August generated a solid outcome at 97% of the monthly budget for Water Sales at \$4M. All Other Revenues generating \$256K or 96% of budget. Total Revenues for August 2024 were \$4.2M or 97% of budget.

August's Operating Expenditures were \$1.6M or 84% of the monthly budget. When combined with the month's debt service, Total Expenditures were approximately \$3.6M or 92% of budget.

This resulted in a surplus of \$605K for the month of August 2024.

As EWW continues in the second half of 2024, financial results remain comparable with previous years. Total Revenues of \$32.1M represent 96% of the budget, while Total Expenditures of \$29.1M represent 92% of the 2024 budget projections.

**As a result, operations as of August 2024 produced a net surplus just shy of \$3M.**

This performance is comparable with outcomes of the previous FY's operations listed below. The debt service calculation is 133% and remains above the requirement of 120%.

**2023** - \$3.5M surplus; **2022** - \$2.9M surplus

The Erie Water Works' account receivable balance continues to trend down, resulting with a healthy balance of **\$5.5M** at the end of August 2024. AR Collections during July and August 2024 are 9% higher than the comparable months of 2023.

At the end of August, the CIP spreadsheet details **\$8.7M** invested on debt-funded / cash reserve projects and **\$1.0M** paid towards PAYGO projects. Combined, EWW invested approximately **\$9.7M** through August 2024.

The cash reconciliation at the end of the CIP spreadsheet reflects **\$1.2M** cash position in Current Funding Relative to Future Expenditures.

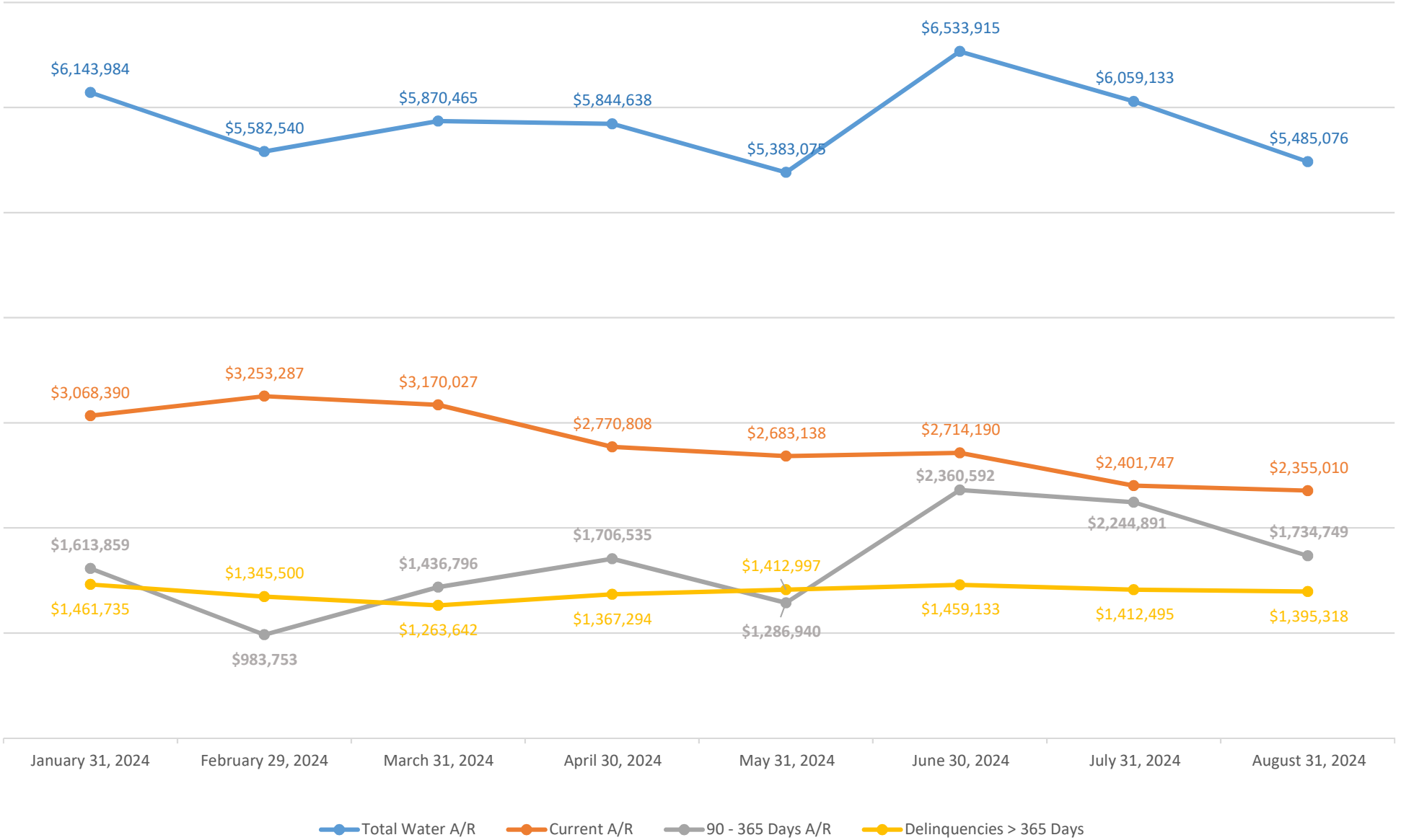
**ERIE WATER WORKS**  
**REVENUE AND EXPENDITURE REPORT**  
**August 2024**

	<u>Month Budget</u>	<u>Month Actual</u>	<u>Actual as % of Month Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Actual as % of YTD Budget</u>	<u>Annual Budget</u>	<u>YTD as % of Annual Budget</u>
<b>REVENUES:</b>								
<b>WATER SALES</b>	4,132,483	3,988,055	97%	31,371,059	30,216,455	96%	48,389,726	62%
<b>BILLINGS SERVICES</b>	53,481	53,481	100%	427,850	427,850	100%	641,775	67%
<b>CONTRACT INCOME</b>	29,167	29,167	100%	233,333	233,333	100%	350,000	67%
<b>INVESTMENT EARNINGS</b>	37,500	37,500	100%	300,000	300,000	100%	450,000	67%
<b>OTHER REVENUES:</b>								
<b>FINAL WRITE OFF OF BAL. OWED</b>	-	-	0%	-	(91,880)	0%	-	0%
<b>TAPPING PRIVILEGE FEES</b>	8,333	9,104	109%	66,667	71,353	107%	100,000	71%
<b>CONNECTION FEES</b>	10,417	12,000	115%	83,333	70,900	85%	125,000	57%
<b>MISCELLANEOUS REVENUE</b>	125,603	114,357	91%	1,004,825	912,039	91%	1,507,238	61%
<b>TOTAL OTHER REVENUES</b>	<u>144,353</u>	<u>135,461</u>	<u>94%</u>	<u>1,154,825</u>	<u>962,412</u>	<u>83%</u>	<u>1,732,238</u>	<u>56%</u>
<b>TOTAL REVENUES</b>	<u>4,396,984</u>	<u>4,243,664</u>	<u>97%</u>	<u>33,487,068</u>	<u>32,140,050</u>	<u>96%</u>	<u>51,563,739</u>	<u>62%</u>
<b>EXPENDITURES:</b>								
<b>01 ADMINISTRATION</b>	406,871	344,803	85%	3,254,967	2,327,690	72%	4,882,451	48%
<b>02 DISTRIBUTION</b>	334,222	275,337	82%	2,673,776	2,139,982	80%	4,010,664	53%
<b>03 METER DIVISION</b>	92,344	75,837	82%	738,748	668,017	90%	1,108,122	60%
<b>04 PUMPING AND FILTRATION</b>	560,004	475,559	85%	4,520,035	4,117,809	91%	6,780,052	61%
<b>05 MAINTENANCE</b>	149,310	123,782	83%	1,194,478	941,511	79%	1,791,717	53%
<b>06 LABORATORY</b>	68,679	48,963	71%	549,433	495,130	90%	824,150	60%
<b>07 CUSTOMER SERVICE</b>	145,494	140,323	96%	1,123,949	1,035,086	92%	1,685,923	61%
<b>08 ENGINEERING</b>	103,386	68,692	66%	827,091	728,695	88%	1,240,637	59%
<b>09 FINANCE</b>	98,439	83,137	84%	787,515	696,143	88%	1,181,272	59%
<b>10 BOARD</b>	793	71	9%	6,347	3,925	62%	9,520	41%
<b>SUBTOTAL</b>	<u>1,959,542</u>	<u>1,636,504</u>	<u>84%</u>	<u>15,676,339</u>	<u>13,153,988</u>	<u>84%</u>	<u>23,514,508</u>	<u>56%</u>
<b>DEBT SERVICE</b>	<u>2,001,786</u>	<u>2,001,786</u>	<u>100%</u>	<u>16,014,289</u>	<u>16,014,289</u>	<u>100%</u>	<u>24,021,433</u>	<u>67%</u>
<b>TOTAL EXPENDITURES</b>	<u>3,961,328</u>	<u>3,638,290</u>	<u>92%</u>	<u>31,690,627</u>	<u>29,168,277</u>	<u>92%</u>	<u>47,535,941</u>	<u>61%</u>
<b>SURPLUS / (DEFICIT)</b>	<u><u>435,656</u></u>	<u><u>605,374</u></u>		<u><u>1,796,440</u></u>	<u><u>2,971,773</u></u>			
<b>DEBT SERVICE COVERAGE</b>					<u><u>133%</u></u>			
<b>PAY-AS-YOU-GO PROJECTS</b>					<b>1,038,271</b>		<b>3,200,000</b>	<b>32%</b>

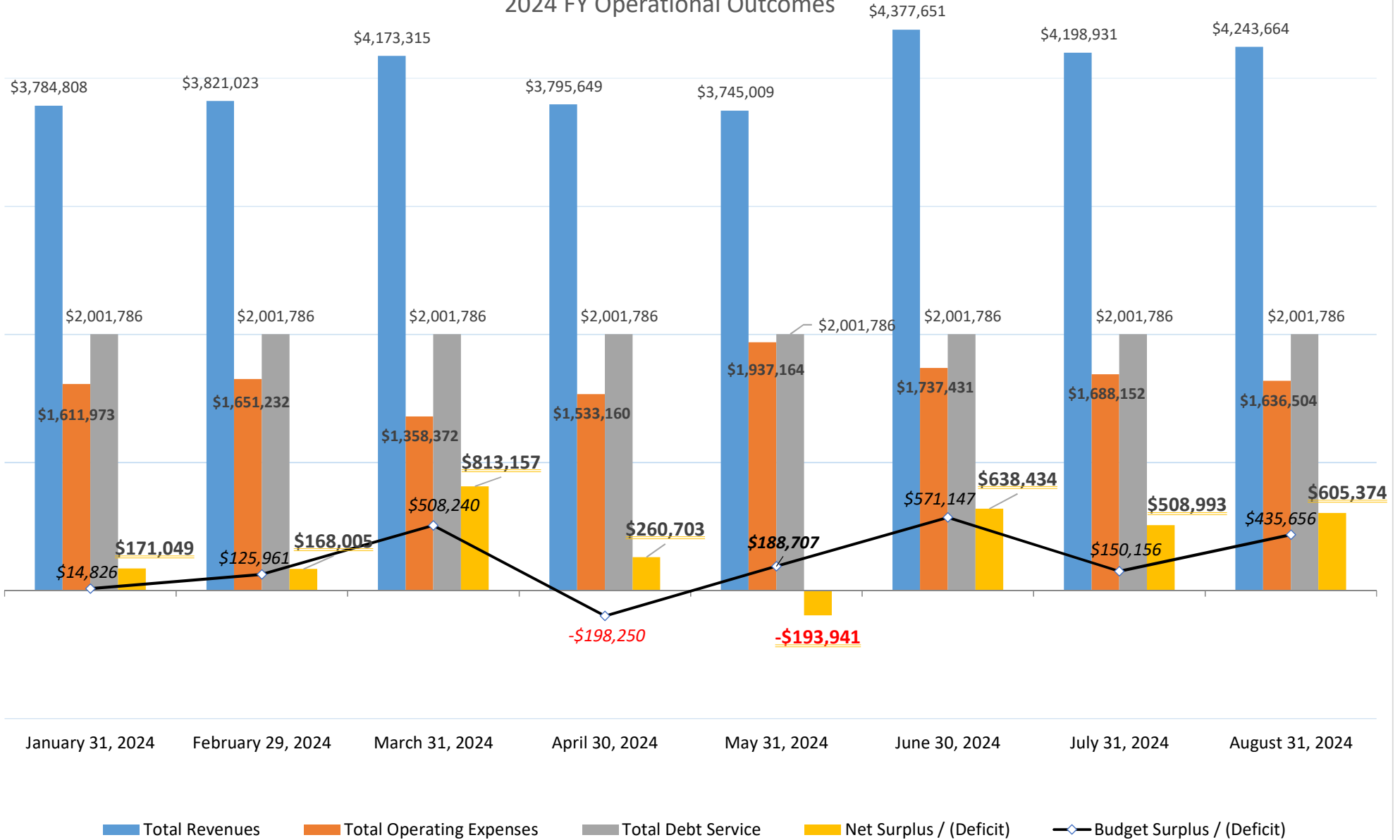
**ERIE WATER WORKS  
EXPENDITURE REPORT  
August 2024**

	<u>Month Budget</u>	<u>Month Actual</u>	<u>Actual as % of Budget</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>'23 YTD Actual</u>	<u>Actual as % of YTD Budget</u>	<u>Annual Budget</u>	<u>YTD as % of Annual Budget</u>
<b>PERSONNEL</b>									
Salaries	169,934	116,389	68%	1,735,471	1,417,294	1,466,128	82%	2,603,206	54%
Wages	375,586	344,439	92%	3,004,688	2,751,675	2,651,840	92%	4,507,032	61%
Overtime	42,129	12,420	29%	337,031	248,493	190,593	74%	505,546	49%
<b>Subtotal</b>	<b>587,649</b>	<b>473,248</b>	<b>81%</b>	<b>5,077,189</b>	<b>4,417,462</b>	<b>4,308,561</b>	<b>87%</b>	<b>7,615,784</b>	<b>58%</b>
<b>PERSONNEL BENEFITS</b>									
FICA-medicare taxes	55,403	45,971	83%	443,221	387,029	384,551	87%	664,831	58%
Group insurance	166,802	144,938	87%	1,334,419	888,280	924,903	67%	2,001,629	44%
Unemployment compensation	84	0	0%	669	0	0	0%	1,003	0%
Workers comp insurance	7,821	0	0%	67,569	712	5,642	1%	153,854	0%
Pension contribution	136,758	131,522	96%	1,059,067	1,052,262	1,133,808	99%	1,581,101	67%
<b>Subtotal</b>	<b>366,868</b>	<b>322,431</b>	<b>88%</b>	<b>2,904,945</b>	<b>2,328,283</b>	<b>2,448,904</b>	<b>80%</b>	<b>4,402,418</b>	<b>53%</b>
<b>SUPPLIES &amp; MATERIALS</b>									
Office supplies	2,738	1,429	52%	21,900	12,554	12,393	57%	32,850	38%
Operating supplies	55,645	54,843	99%	355,163	350,914	284,528	99%	487,745	72%
Fuel	17,708	11,097	63%	99,667	94,422	96,974	95%	236,500	40%
Backfill material	24,000	21,969	92%	162,000	156,287	104,186	96%	168,000	93%
Plant chemicals	181,858	177,223	97%	1,198,867	1,120,250	962,556	93%	1,798,300	62%
Small tools and minor equipment	4,413	3,649	83%	122,300	100,842	82,777	82%	184,950	55%
Uniforms	5,509	4,034	73%	28,073	26,545	15,241	95%	42,110	63%
Printing & reproduction	1,383	747	54%	4,067	3,584	3,130	88%	4,600	78%
Software, refer material, subscriptions	2,979	313	10%	31,833	27,940	25,525	88%	35,750	78%
<b>Subtotal</b>	<b>296,234</b>	<b>275,304</b>	<b>93%</b>	<b>2,023,870</b>	<b>1,893,339</b>	<b>1,587,310</b>	<b>94%</b>	<b>2,990,805</b>	<b>63%</b>
<b>OTHER SERVICES AND CHARGES</b>									
Professional services-engineering	1,583	1,060	67%	12,667	6,860	5,945	54%	19,000	36%
Professional services-legal, other	31,164	29,405	94%	154,310	94,666	101,299	61%	253,965	37%
Travel, training and seminars	6,921	5,097	74%	54,367	50,794	35,247	93%	59,050	86%
Communications	2,896	2,179	75%	15,167	14,040	10,217	93%	22,750	62%
Postage	2,333	1,254	54%	18,667	10,105	11,247	54%	28,000	36%
Administrative costs-permits, fees	91,676	88,390	96%	680,410	531,549	563,345	78%	1,100,115	48%
Utilities	417	0	0%	3,333	1,432	1,977	43%	5,000	29%
Utilities-electricity	168,533	164,452	98%	1,398,267	1,372,194	1,262,862	98%	2,022,400	68%
Utilities-natural gas	7,179	1,616	23%	81,433	75,322	80,875	92%	122,150	62%
Utilities-telecommunications	15,769	13,401	85%	129,153	125,791	117,171	97%	189,230	66%
Refuse and disposal	61,667	783	1%	741,333	510,615	707,978	69%	1,112,000	46%
Rentals	1,982	1,216	61%	7,853	6,219	4,222	79%	11,780	53%
Contracted services	99,006	97,518	98%	592,047	509,271	462,093	86%	888,070	57%
Vehicle maintenance	20,185	10,238	51%	161,480	119,073	137,058	74%	242,220	49%
Street cuts	73,750	70,461	96%	550,000	423,619	364,223	77%	825,000	51%
Barricades	1,208	0	0%	9,667	0	4,649	0%	14,500	0%
Lawn maintenance	28,579	22,563	79%	108,633	98,337	84,210	91%	162,950	60%
Maintenance agreements	57,520	23,586	41%	695,158	336,335	290,059	48%	1,050,237	32%
Miscellaneous services and charges	4,596	4,017	87%	36,767	13,732	18,293	37%	55,150	25%
Insurance-general liability	31,828	28,287	89%	219,623	214,951	186,822	98%	321,934	67%
<b>Subtotal</b>	<b>708,792</b>	<b>565,522</b>	<b>80%</b>	<b>5,670,334</b>	<b>4,514,905</b>	<b>4,449,792</b>	<b>80%</b>	<b>8,505,501</b>	<b>53%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,959,542</b>	<b>1,636,504</b>	<b>84%</b>	<b>15,676,339</b>	<b>13,153,988</b>	<b>12,794,567</b>	<b>84%</b>	<b>23,514,508</b>	<b>56%</b>

# ERIE WATER WORKS WATER A/R AGING AS OF AUGUST 31, 2024



## ERIE WATER WORKS 2024 FY Operational Outcomes



**ERIE WATER WORKS**  
**CAPITAL IMPROVEMENT PROJECTS**  
**AUGUST 2024**

		August-24	EXPENDS	
TREATMENT:		BUDGET	TO DATE	BALANCE
1	RICHARD S. WASIELEWSKI (RSW) WTP PHASE 3 IMPROVEMENTS (PENNVEST PRO-FI 1)	525,000	448,171	76,829
2	CORROSION CONTROL OPTIMIZATION	100,000	42,006	57,994
3	RSW WTP - SEDIMENTATION BASIN IMPROVEMENTS (BOND)	4,000,000	201,259	3,798,741
4	RSW WTP - COMPRESSOR IMPROVEMENTS (BOND)	200,000	-	200,000
5	CHESTNUT WTP - PRELIMINARY PLANNING & DESIGN (BOND)	250,000	-	250,000
6				
7	<b>PUMPING:</b>			
8	ASBURY TANKS PS REPLACEMENT (PENNVEST PRO-FI 2)	6,000,000	631,099	5,368,901
9	SIGSBEE PUMP STATION UPGRADE	300,000	83,520	216,480
10	RSW WTP LOW DUTY PUMP & MOTOR IMPROVEMENTS (BOND)	600,000	67,049	532,951
11	EAST LAKE ROAD PUMP STATION VFD (BOND)	75,000	36,096	38,904
12	WEST LAKE PUMP STATION FLOW CNTTOL VALVE UPGRADE (BOND)	75,000	32,479	42,521
13				
14	<b>TRANSMISSION &amp; DISTRIBUTION</b>			
15	KUNTZ RD WM EXTENSION, SOUTH BSTR PD FEED TO PEACH PD (Design)	50,000	-	50,000
16	BAYFRONT PARKWAY WATER MAIN RELOCATION (PENNDOT)	360,000	27,192	332,808
17	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 2 (PENNVEST GRANT)	13,900,000	2,525,965	11,374,035
18	DEPOT ROAD WATER MAIN RELOCATION (PENNDOT)	40,000	3,834	36,166
19	ZUCK ROAD WATER MAIN RELOCATION (PENNDOT)	70,000	-	70,000
20	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 3 (PENNVEST GRANT/LOAN)	6,000,000	1,227,782	4,772,218
21	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 4 (PENNVEST GRANT/LOAN)	18,000,000	989,747	17,010,253
22	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 5 (PENNVEST GRANT/LOAN; WB/LP)	710,000	752	709,248
23	COOK & KNOLL WATER MAIN REPLACEMENT (PENNVEST PRO-FI 2)	1,400,000	100,883	1,299,117
24	GREENE TWP WATER MAIN EXTENSION KIRSCH ROAD (DCED GRANTS)	1,817,000	8,271	1,808,729
25	GREENE TWP WATER MAIN EXTENSION KIRSCH ROAD (EWW)	400,000	-	400,000
26	SYSTEM CONTROL VALVE SCADA	100,000	-	100,000
27	COOPER ROAD CIP LINING PROJECT	215,000	-	215,000
28	CIDER MILL WATER MAIN RELOCATION MILLCREEK BRIDGE	100,000	-	100,000
29				
30	<b>METERS</b>			
31	LARGE METER/UME CHANGEOUT PROGRAM (BOND)	100,000	64,582	35,418
32	NEW METER INSTALL & RADIO READ EXCHANGE PROGRAM (BOND)	900,000	521,235	378,765
33				
34	<b>STORAGE</b>			
35	SOUTH BOOSTER STORAGE TANK (PENNVEST) (funded by Operating Cash pre-close)	300,000	-	300,000
36	TRICHALOMETHANE REMOVAL SYSTEM ASBURY TANK 2 (BOND)	275,000	-	275,000
37				
38	<b>DISTRIBUTION</b>			
39	VALVE REPLACEMENT PROGRAM (BOND)	1,050,000	1,015,689	34,311
40	HYDRANT REPLACEMENT PROGRAM (BOND)	250,000	261,483	(11,483)
41	SERVICE REPLACEMENT PROGRAM (BOND)	550,000	328,070	221,930
42	AIR RELIEF VALVE REPLACEMENT PROGRAM (BOND)	15,000	912	14,088
43	WATER QUALITY DEVICE PROGRAM (BOND)	15,000	12,312	2,688
44	GOOD-OF-SERVICE PROJECTS (BOND)	150,000	13,712	136,288
45				
46	<b>GENERAL PLANT</b>			
47	WATER SYSTEM CONSOLIDATION PLAN	25,000	5,774	19,227
48	CONTINUITY OF SERVICE STUDY	25,000	4,882	20,118
49	GENERAL FACILITY ENHANCEMENTS (BOND)	225,000	37,109	187,891
50	12TH STREET FACILITY BUILDING IMPROVEMENTS DESIGN	100,000	-	100,000
51	<b>TOTAL CAPITAL PROJECTS</b>	<b>59,267,000</b>	<b>8,691,865</b>	<b>50,575,135</b>
52				
53	<b>PAY-AS-YOU-GO (NON-BOND FUNDED) PROJECTS</b>			
54	FLEET/HEAVY EQUIPMENT	700,000	429,152	270,848
55	OFFICE AUTOMATION/EQUIPMENT	200,000	78,497	121,503
56	FENCE/LANDSCAPE IMPROVEMENTS	125,000	14,285	110,715
57	OPERATIONAL SAFETY & TRAINING	10,000	4,375	5,625
58	WEB-SITE DEVELOPMENT	10,000	-	10,000
59	CORROSION PROTECTION PROGRAM	20,000	-	20,000
60	WATER STORAGE TANK ASSET MAINTENANCE PROGRAM	425,000	195,481	229,519
61	ENTERPRISE ASSET MGMT/RESOURCE PLANNING SOFTWARE	330,000	69,581	260,419
62	EMERGENCY PREPAREDNESS TRAINING & TABLETOP	30,000	-	30,000
63	COMMUNITY OUTREACH	40,000	4,738	35,262
64	CHESTNUT WTP STARTUP PROVISIONS	350,000	207,647	142,353
65	RSW WTP LOW DUTY PS WET WELL CLEANING & PIPING REPAIRS	500,000	-	500,000
66	FACILITY ROOF ENHANCEMENTS	200,000	10,725	189,275
67	WTP INTAKE LINE INSPECTIONS	0	-	0
68	WATER LOSS AUDIT & CONTROL PLAN	100,000	23,789	76,211
69	ELEVATOR ENHANCEMENTS	80,000	-	80,000
70	CUSTOMER SATISFACTION SURVEY	30,000	-	30,000
71	PROPERTY VALUATION SERVICES	50,000	-	50,000
72	<b>TOTAL PAY-AS-GO PROJECTS</b>	<b>3,200,000</b>	<b>1,038,271</b>	<b>2,161,729</b>
73				
74	<b>GRAND TOTALS</b>	<b>62,467,000</b>	<b>9,730,136</b>	<b>52,736,864</b>
75				
76	CURRENT OPERATING FUNDS AVAILABLE	6,771,321		
77	2023 CONSTRUCTION FUNDS - BOND ISSUANCE	7,173,309		
78	PENNVEST / GRANT FUNDED PROJECTS (2024)	42,719,330		
79	<b>TOTAL FUNDS AVAILABLE</b>	<b>56,663,959</b>		
80				
81	MINIMUM OPERATING CASH FLOW GOAL OF \$5M	(5,194,897)		
82	PENNVEST / DCED FUNDING	(42,719,330)		
83	CAPITAL & PAYGO PROJECT BALANCE (BONDS/CASH)	(10,017,534)		
84	2025 ANTICIPATED DEFERENCE OF CAPITAL PROJECT OUTLAY (BONDS/CASH)	2,477,500		
85	<b>CURRENT FUNDING RELATIVE TO FUTURE EXPENDITURES FOR 2024FY*</b>	<b>1,209,698</b>		
86				
87	<b>PAST EWW BENCHMARKS OF FUNDING POSITION</b>			
88	CURRENT FUNDING RELATIVE TO FUTURE EXPENDITURES AUGUST 2023**	11,095,628		
89	CURRENT FUNDING RELATIVE TO FUTURE EXPENDITURES AUGUST 2022	1,679,526		
90				
91	*This represents a snapshot in time of which does not anticipate future cash flow			
92	**\$9.2M of 2023 Construction Bond Funds were added with no offset to CIP Budgets			



# **ERIE WATER WORKS**

## **2024 CAPITAL PROJECTS BUDGET REVISION**

### **RESOLUTION #091924-01**

RESOLVED, by the Board of the Erie Water Works that it hereby revises its 2024 Capital Projects Budget to reflect the line item changes on the following attachment.

### **EXPLANATION**

This budget transfer will provide the necessary funding for various programs and projects as detailed on the attachment. This is the recommendation of the Finance Committee.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

BY: \_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensusan \_\_\_ R. Bergquist \_\_\_ L. Bizzarro \_\_\_ C. Rush Dix \_\_\_ B. Fife \_\_\_

P. Gambill \_\_\_ S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Wagner \_\_\_

2024 Capital and PAYGO Budget Revision

PROJ. LINE #	PROJECT LINE ITEM DESCRIPTION	CURRENT BUDGET	CHANGES	REVISED BUDGET
3	RSW WTP - SEDIMENTATION BASIN IMPROVEMENTS (BOND)	\$4,000,000	(\$300,000)	\$3,700,000
4	RSW WTP - COMPRESSOR IMPROVEMENTS (BOND)	\$200,000	(\$50,000)	\$150,000
10	WEST LAKE PS FLOW CONTROL VALVE UPGRADE (BOND)	\$75,000	(\$10,000)	\$65,000
29	VALVE REPLACEMENT PROGRAM (BOND)	\$1,050,000	\$250,000	\$1,300,000
30	HYDRANT REPLACEMENT PROGRAM (BOND)	\$250,000	\$100,000	\$350,000
33	WATER QUALITY DEVICE PROGRAM (BOND)	\$15,000	\$10,000	\$25,000
TOTALS:		\$5,590,000	\$0	\$5,590,000

# **ERIE WATER WORKS**

## **ASSET DISPOSAL**

### **RESOLUTION #091924-02**

RESOLVED, that the Board of the Erie Water Works ratifies the staff decision to send a 2001 Peterbilt Tandem Dump Truck to public auction as detailed on the attached asset disposal sheet and staff recommendation.

### **EXPLANATION**

Several issues have been identified with the truck and repairs would be cost prohibitive. This is the recommendation of the Finance Committee.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

By: \_\_\_\_\_

By: \_\_\_\_\_

Secretary

Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensusan \_\_\_ R. Bergquist \_\_\_ C. Rush Dix \_\_\_ P. Gambill \_\_\_

H. Harrington \_\_\_ S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Wagner \_\_\_ J. Willis \_\_\_



## ERIE WATER WORKS MEMORANDUM

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**DATE:** September 6, 2024  
**TO:** Craig H. Palmer, Chief Executive Officer  
**FROM:** Peter N. Hirneisen, Senior Manager, Distribution  
**RE:** Recommendation of Asset Disposal

---

Dump Truck #438 is being recommended for Asset Disposal now that the new Dump Truck #432 has been delivered. Several issues have been identified in the evaluation by T & D Equipment Repair. The main issue is the dump bed is beyond repair and needs replaced. The floor is splitting down the middle and the cross members are crushed. A new bed would cost approximately \$35,000, which is similar to what we paid Trux for the dump bed on Dump Truck #432. I would not recommend investing that much money into a 23-year-old truck with over 100,000 miles. Additionally, it has an engine that is no longer being manufactured, thus it is getting harder to get parts.

I am recommending Asset Disposal of Dump Truck #438.

A handwritten signature in black ink, reading "Peter Hirneisen".

**Erie Water Works**  
**Asset Disposal**  
**September 3, 2024**

In compliance with the Asset Disposal Policy, the item listed below will be taken out of service and will go to Public Auction or be disposed. This is being placed before the Board for asset disposal approval:

NO.	YEAR	DESCRIPTION	DEPT	VEHICLE ID NO	MILEAGE/HOURS	AGE IN YEARS	CONDITION
438	2001	Peterbilt Tandem Dump Truck	Distribution	2NPPLD9X61M569386	101,891	23	Poor

Submitted by:  
Ann L. Whipple  
Purchasing & Inventory Manager  
9/3/2024

**ERIE WATER WORKS**  
**PAYMENT PROCESSING**  
**AND MISCELLANEOUS FEE SCHEDULE**

**RESOLUTION #091924-03**

RESOLVED, that the Board of the Erie Water Works ratifies the staff decision to revise the Card Payment Convenience Fee and Miscellaneous Fees schedule as detailed on the attached spreadsheet.

**EXPLANATION**

The Finance Committee has been provided with a list of payment processing and miscellaneous fees that were established in 2019. These increases are needed to cover the cost to the Erie Water Works for providing the various services. These revised fees will be effective January 1, 2025. This is the recommendation of the Finance Committee.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensur \_\_\_ R. Bergquist \_\_\_ C. Rush Dix \_\_\_ P. Gambill \_\_\_

H. Harrington \_\_\_ S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Wagner \_\_\_ J. Willis \_\_\_



## ERIE WATER WORKS MEMORANDUM

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**DATE:** September 13, 2024  
**TO:** Craig H. Palmer, P.E., Chief Executive Officer  
**FROM:** Josh Berg, Senior Manager, Customer Service & Meters  
Jennifer Valerio, Director of Finance  
**RE:** Proposed 2025FY Payment Processing and Miscellaneous Fee Schedule

---

The Erie Water Works Utility Billing conversion to the Tyler Munis ERP is nearing completion. The final step will integrate their Resident Access module, which will be available to our customers on January 1, 2025. Resident Access integrates securely with all existing Tyler Munis modules and delivers a more modern, user-friendly interface that provides customers easy access for payments and account information. For staff, it will streamline daily cash collections, expedite the reconciliation of payments files, and increase productivity.

In 2023, as part of the Utility Billing implementation, the Management team analyzed merchant service costs charged to Erie Water Works, fees charged to customers, and the overall online customer account experience. The review uncovered that the \$2.95 flat convenience fee charged to card transactions was not adequate to cover the associated processing costs. Implementing the new fee schedule will pass along convenience fees to those who choose to utilize card payment methods that have transaction fees. This change will eliminate approximately \$150,000 worth of debit and credit card merchant service fees currently absorbed as part of Erie Water Works operating budget.

Nowadays, the proposed “pass-through model” is standard in the utility space, especially for card payments made online (Web) or by phone (IVR). In this arrangement, Tyler Munis would manage the proposed card payment convenience fee of 3.15% per transaction (\$2.50 minimum fee) while also absorbing all associated merchant services processing fees. This model would allow Erie Water Works to continue to provide free ACH payments through the EWW Web portal or IVR. Although ACH payments via the Web or IVR will cost EWW \$1.50 or \$2.00 respectively, the proceeds we receive for our sewer and garbage billing arrangements cover those costs. EWW currently pays about \$25,000/year to suppress paper bills for customers who receive bills by email. Additionally, staff will be making a significant push to promote e-billing, which will be free with Resident Access, as well as auto-pay options that will help improve cash flows.

Seven no cost payment options will still be provided to our customers as illustrated on the next page.

To arrive at this recommendation, staff compared the Resident Access module to options offered by local banking institutions and other merchant service processor platforms. Staff also communicated with similar size utility users of Resident Access and overall satisfaction level was very high amongst utility staff and their customer base. Although the proposed fee schedule represents a change to what some customers are accustomed to, we have a fiduciary responsibility to collect revenues commensurate with sales and to limit any associated fees that reduce our revenue stream.

Staff recommends approval of the Proposed 2025FY Payment Processing and Miscellaneous Fee Schedule. Approving the fee schedule in Q3 will allow time for proper customer notification to occur in Q4. The intent is to provide advanced notice of the 2025 fee changes as part of customer Q4 water bills, the Q4 newsletter (*The Newsplash*) sent to every customer, and publication on the Erie Water Works website.

## ERIE WATER WORKS

### Proposed 2025FY Payment Processing and Miscellaneous Fee Schedule

<u>Payment Processing Fees</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Note</u>
Card Payment Convenience Fee (Includes Credit or Debit through Web or IVR)	\$2.95	3.15%	Minimum fee of \$2.50 or 3.15%

<u>Miscellaneous Fees</u>	<u>Current Fee</u>	<u>Proposed Fee</u>	<u>Note</u>
Backflow License Fee	\$15.00	\$20.00	
Fire Hydrant Flow Test Fee	\$200.00	\$225.00	
Frozen Meter Replacement (Residential) Fee	\$164.34	\$175.00	Plus applicable staff burden rates
Lien Administration Fee	\$35.00	\$45.00	Plus applicable filing fees
Mailed Past Due Notice – Late Fee	\$2.25	\$2.50	
Initiate Service – Regular Business Hours Fee	\$20.00	\$30.00	
Initiate Service – After Hours Fee	\$130.00	\$150.00	
Service Re-Initiation Delinquent Fee	\$30.00	\$40.00	
Missed Appointment Fee	\$0.00	\$20.00	<i>*New Fee Proposed</i>
Sub-Meter Removal Fee	\$0.00	\$35.00	<i>*New Fee Proposed</i>
Tampering Fee (meters, curb boxes, hydrants)	\$0.00	\$500.00	<i>*New Fee Proposed</i>

*Note: Fees have not been changed since 2018*

### Erie Water Works provides the following No Cost Payment Options

1. ACH Payments made through EWW's Web Portal
2. ACH Payments made through EWW's IVR Phone System
3. Online bill pay through the customer's financial institution of choice
4. Electronic Funds Transfer via financial institution of choice
5. Paper checks sent by mail or presented in person
6. Cash payments presented in person
7. Debit or prepaid cards presented in person



# **ERIE WATER WORKS**

## **RATIFICATION OF STAFF PAYMENT OF INVOICES**

### **RESOLUTION #091924-04**

RESOLVED, that the Board of the Erie Water Works ratifies the staff decision to make payment of invoices during the month of August 2024.

### **EXPLANATION**

The Finance Committee received and reviewed a list of checks and electronic fund transfers that were processed during the month of August. The Finance Committee hereby recommends Board ratification of the staff decision to make payment of these invoices.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

BY: \_\_\_\_\_ BY: \_\_\_\_\_  
Secretary Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensusan \_\_\_ R. Bergquist \_\_\_ C. Rush Dix \_\_\_ P. Gambill \_\_\_

H. Harrington \_\_\_ S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Wagner \_\_\_ J. Willis \_\_\_

ERIE WATER WORKS  
CAPITAL PROJECTS REPORT  
August-2024

	PROJECT	A 2024 BUDGET FUNDING	B CURRENT MONTH'S EXPENDS	C 2024 YR-TO-DATE EXPENDS	A - C 2024 BUDGET BALANCE	C / A 2024 BUDGET EXPENDED
<b>TREATMENT:</b>						
	RICHARD S. WASIELEWSKI (RSW) WTP PHASE 3 IMPROVEMENTS (PENNVEST PRO-FI 1)	525,000	13,652	448,171	76,829	85%
	CORROSION CONTROL OPTIMIZATION	100,000	31,781	42,006	57,994	42%
1	RSW WTP - SEDIMENTATION BASIN IMPROVEMENTS (BOND)	4,000,000	498	201,259	3,798,741	5%
	RSW WTP - COMPRESSOR IMPROVEMENTS (BOND)	200,000	-	-	200,000	0%
	CHESTNUT WTP - PRELIMINARY PLANNING & DESIGN (BOND)	250,000	-	-	250,000	0%
	SUBTOTAL TREATMENT	5,075,000	45,931	691,436	4,383,564	14%
<b>PUMPING:</b>						
2	ASBURY TANKS PS REPLACEMENT (PENNVEST PRO-FI 2)	6,000,000	515,436	631,099	5,368,901	11%
	SIGSBEE PUMP STATION UPGRADE	300,000	25,520	83,520	216,480	28%
3	RSW WTP LOW DUTY PUMP & MOTOR IMPROVEMENTS (BOND)	600,000	-	67,049	532,951	11%
	EAST LAKE ROAD PUMP STATION VFD (BOND)	75,000	-	36,096	38,904	48%
	WEST LAKE PUMP STATION FLOW CNTTOL VALVE UPGRADE (BOND)	75,000	-	32,479	42,521	43%
	SUBTOTAL PUMPING	7,050,000	540,956	850,243	6,199,757	12%
<b>TRANSMISSION &amp; DISTRIBUTION:</b>						
	KUNTZ RD WM EXTENSION, SOUTH BSTR PD FEED TO PEACH PD (Design)	50,000	-	-	50,000	0%
	BAYFRONT PARKWAY WATER MAIN RELOCATION (PENNDOT)	360,000	480	27,192	332,808	8%
4	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 2 (PENNVEST GRANT)	13,900,000	582,068	2,525,965	11,374,035	18%
	DEPOT ROAD WATER MAIN RELOCATION (PENNDOT)	40,000	3,834	3,834	36,166	10%
	ZUCK ROAD WATER MAIN RELOCATION (PENNDOT)	70,000	-	-	70,000	0%
5	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 3 (PENNVEST GRANT/LOAN)	6,000,000	29,821	1,227,782	4,772,218	20%
6	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 4 (PENNVEST GRANT/LOAN)	18,000,000	550,384	989,747	17,010,253	5%
	SERVICE CONNECTION REPLACEMENT PROJECT PHASE 5 (PENNVEST GRANT/LOAN; WB/LP)	710,000	552	752	709,248	0%
7	COOK & KNOLL WATER MAIN REPLACEMENT (PENNVEST PRO-FI 2)	1,400,000	100,883	100,883	1,299,117	7%
8	GREENE TWP WATER MAIN EXTENSION KIRSCH ROAD (DCED GRANTS)	1,817,000	8,271	8,271	1,808,729	0%
	GREENE TWP WATER MAIN EXTENSION KIRSCH ROAD (EWW)	400,000	-	-	400,000	0%
	SYSTEM CONTROL VALVE SCADA	100,000	-	-	100,000	0%
	COOPER ROAD CIP LINING PROJECT	215,000	-	-	215,000	0%
	CIDER MILL WATER MAIN RELOCATION MILLCREEK BRIDGE	100,000	-	-	100,000	0%
	SUBTOTAL TRANSMISSION & DISTRIBUTION	43,162,000	1,276,293	4,884,426	38,277,574	11%
<b>METERS</b>						
	LARGE METER/UME CHANGEOUT PROGRAM (BOND)	100,000	8,556	64,582	35,418	65%
	NEW METER INSTALL & RADIO READ EXCHANGE PROGRAM (BOND)	900,000	84,373	521,235	378,765	58%
	SUBTOTAL METERS	1,000,000	92,929	585,817	414,183	59%
<b>STORAGE</b>						
	SOUTH BOOSTER STORAGE TANK (PENNVEST) (funded by Operating Cash pre-close)	300,000	-	-	300,000	0%
	TRIHALOMETHANE REMOVAL SYSTEM ASBURY TANK 2 (BOND)	275,000	-	-	275,000	0%
	SUBTOTAL STORAGE	575,000	-	-	575,000	0%
<b>DISTRIBUTION</b>						
	VALVE REPLACEMENT PROGRAM (BOND)	1,050,000	169,306	1,015,689	34,311	97%
	HYDRANT REPLACEMENT PROGRAM (BOND)	250,000	59,607	261,483	(11,483)	105%
	SERVICE REPLACEMENT PROGRAM (BOND)	550,000	34,788	328,070	221,930	60%
	AIR RELIEF VALVE REPLACEMENT PROGRAM (BOND)	15,000	912	912	14,088	6%
	WATER QUALITY DEVICE PROGRAM (BOND)	15,000	8,065	12,312	2,688	82%
	GOOD-OF-SERVICE PROJECTS (BOND)	150,000	79	13,712	136,288	9%
	SUBTOTAL DISTRIBUTION	2,030,000	272,757	1,632,179	397,821	80%
	SUBTOTAL TRANSMISSION, METERS, STORAGE, DISTRIBUTION	46,767,000	1,641,979	7,102,422	39,664,578	15%

ERIE WATER WORKS  
CAPITAL PROJECTS REPORT  
August-2024

PROJECT	A 2024 BUDGET FUNDING	B CURRENT MONTH'S EXPENDS	C 2024 YR-TO-DATE EXPENDS	A - C 2024 BUDGET BALANCE	C / A 2024 BUDGET EXPENDED
<b>GENERAL PLANT</b>					
WATER SYSTEM CONSOLIDATION PLAN	25,000	2,774	5,774	19,227	23%
CONTINUITY OF SERVICE STUDY	25,000	4,882	4,882	20,118	20%
GENERAL FACILITY ENHANCEMENTS (BOND)	225,000	3,678	37,109	187,891	16%
12TH STREET FACILITY BUILDING IMPROVEMENTS DESIGN	100,000	-	-	100,000	0%
SUBTOTAL GENERAL PLANT	375,000	11,334	47,764	327,236	13%
TOTAL BOND FUNDED, PENNVEST & CASH RESERVE PROJECTS	59,267,000	2,240,200	8,691,865	50,575,135	15%
<b>PAY-AS-YOU-GO (NON-BOND FUNDED) PROJECTS</b>					
FLEET/HEAVY EQUIPMENT	700,000	206,694	429,152	270,848	61%
OFFICE AUTOMATION/EQUIPMENT	200,000	6,092	78,497	121,503	39%
FENCE/LANDSCAPE IMPROVEMENTS	125,000	10,200	14,285	110,715	11%
OPERATIONAL SAFETY & TRAINING	10,000	-	4,375	5,625	44%
WEB-SITE DEVELOPMENT	10,000	-	-	10,000	0%
CORROSION PROTECTION PROGRAM	20,000	-	-	20,000	0%
WATER STORAGE TANK ASSET MAINTENANCE PROGRAM	425,000	-	195,481	229,519	46%
ENTERPRISE ASSET MGMT/RESOURCE PLANNING SOFTWARE	330,000	5,435	69,581	260,419	21%
EMERGENCY PREPAREDNESS TRAINING & TABLETOP	30,000	-	-	30,000	0%
COMMUNITY OUTREACH	40,000	371	4,738	35,262	12%
CHESTNUT WTP STARTUP PROVISIONS	350,000	9,608	207,647	142,353	59%
RSW WTP LOW DUTY PS WET WELL CLEANING & PIPING REPAIRS	500,000	-	-	500,000	0%
FACILITY ROOF ENHANCEMENTS	200,000	-	10,725	189,275	5%
WTP INTAKE LINE INSPECTIONS	0	-	-	0	0%
WATER LOSS AUDIT & CONTROL PLAN	100,000	7,100	23,789	76,211	24%
ELEVATOR ENHANCEMENTS	80,000	-	-	80,000	0%
CUSTOMER SATISFACTION SURVEY	30,000	-	-	30,000	0%
PROPERTY VALUATION SERVICES	50,000	-	-	50,000	0%
TOTAL PAY-AS-YOU-GO (NON-DEBT FUNDED) PROJECTS	3,200,000	245,500	1,038,271	2,161,729	32%
PENNVEST / DCED FUNDED PROJECTS	48,652,000	1,801,067	5,932,670	42,719,330	12%
BOND FUNDED PROJECTS	8,730,000	369,862	2,591,988	6,138,012	30%
CASH RESERVE FUNDED PROJECTS	1,885,000	69,271	167,207	1,717,793	9%
PAY-AS-YOU-GO PROJECTS	3,200,000	245,500	1,038,271	2,161,729	32%
TOTAL BOND FUNDED, PENNVEST & CASH RESERVE PROJECTS	62,467,000	2,485,700	9,730,136	52,736,864	16%
GRAND TOTAL (PENNVEST/DCED, BOND, CASH RESERVE, PAYGO/NON-DEBT)	62,467,000	2,485,700	9,730,136	52,736,864	16%

**CAPITAL IMPROVEMENT PROJECTS COMMITTEE**  
**AUGUST 2024 PROJECT STATUS REPORT**  
**PRESENTED SEPTEMBER 16, 2024**

1. **RICHARD S. WASIELEWSKI WTP – SEDIMENTATION BASIN IMPROVEMENTS (BOND)**: The four clarifier mechanisms in the sedimentation basin are in need of major improvements to function reliably. Frequent failures have increased downtime to the point where it is advantageous to make significant upgrades and to replace all four clarifiers. The project was awarded to Wm. T. Spaeder Co., Inc in the amount of \$2,716,000.

- Envirodyne Systems has started production of the new collector mechanism equipment. Installation by Wm. T. Spaeder is tentatively scheduled for the spring 2025 shut down at RSW WTP.

<b>2024 Budget Funding:</b>	<b>4,000,000</b>	<b>Contracts Awarded:</b>	<b>March 2024</b>
<b>Current Month's Expend:</b>	<b>498</b>	<b>Contracted Completion:</b>	<b>June 2025</b>
<b>Y-T-D Expenditures:</b>	<b>201,259</b>	<b>Work Percent Complete:</b>	<b>0%</b>
<b>Budget Balance:</b>	<b>3,798,741</b>	<b>% of 2024 Budget Spent:</b>	<b>5%</b>

2. **ASBURY TANKS PUMP STATION REPLACEMENT (PENNVEST)**: This project includes design and construction of a new pump station. The existing station is hydraulically undersized considering existing demands and future growth, does not currently meet codes, and is in need of extensive updates including pumps, mechanical, electrical, and chemical feed systems. The project will include a new building built adjacent to the existing with new piping, pumps, electrical service, disinfection, and emergency generator. The October 2023 PENNVEST Board meeting awarded EWW a low-interest \$20M Pro-Fi which featured this project. The General Contract was awarded to E.E. Austin & Son, Inc. in the amount of \$3,588,000, and the Electrical Contract was awarded to Blackhawk Neff, Inc. in the amount of \$1,222,400. The PENNVEST closing occurred in May 2024.

- Construction began in May and work completed thus far includes the new building slab on grade, foundation walls, step footings, and form work and rebar for the suspended slab.

<b>2024 Budget Funding:</b>	<b>6,000,000</b>	<b>Contracts Awarded:</b>	<b>March 2024</b>
<b>Current Month's Expend:</b>	<b>515,436</b>	<b>Contracted Completion:</b>	<b>October 2025</b>
<b>Y-T-D Expenditures:</b>	<b>631,099</b>	<b>Work Percent Complete:</b>	<b>16%</b>
<b>Budget Balance:</b>	<b>5,368,901</b>	<b>% of 2024 Budget Spent:</b>	<b>11%</b>

3. **RSW WTP LOW DUTY PUMP & MOTOR IMPROVEMENTS**: The RSW Low Duty Pump Station has five vertical turbine pumps. This project will replace three of the older motors (201, 204, & 205), which date back to the 1960's and have been rebuilt in the past and converted to run on 480 volts from 4160 volts, as well as motor 202 which failed in 2023. These motors have outdated components which are not readily available, are starting to make excessive noise, generate excessive heat, and are in need of replacement.

- Two of the four motors have shipped and installation work has begun. The other two motors are expected to ship in September 2024 to RAM Industrial Services, and witness testing will follow.

<b>2024 Budget Funding:</b>	<b>600,000</b>	<b>Contracts Awarded:</b>	<b>October 2023</b>
<b>Current Month's Expend:</b>	<b>0</b>	<b>Contracted Completion:</b>	<b>June 2024</b>
<b>Y-T-D Expenditures:</b>	<b>67,049</b>	<b>Work Percent Complete:</b>	<b>11%</b>
<b>Budget Balance:</b>	<b>532,951</b>	<b>% of 2024 Budget Spent:</b>	<b>11%</b>

4. **SERVICE CONNECTION REPLACEMENT PROJECT – PHASE 2 (PENNVEST)**: EWW was awarded a \$14.9M grant and \$3.1M loan from PENNVEST to replace or abandon 2,700 EWW service connections (with lead goosenecks) within PA DEP Environmental Justice Areas throughout the City of Erie. The bid was awarded to Konzel in the amount of \$16,045,500. The PENNVEST closing occurred in March 2023. Work began in May 2023.

- Through August 2024 Konzel has completed 1,573 private service line investigations (in-house), 1,839 underground service line investigations, 902 service line abandonments, 738 EWW side replacements, and 607 customer side replacements.

<b>2024 Budget Funding:</b>	<b>13,900,000</b>	<b>Contracts Awarded:</b>	<b>February 2022</b>
<b>Current Month's Expend:</b>	<b>582,068</b>	<b>Contracted Completion:</b>	<b>March 2026</b>
<b>Y-T-D Expenditures:</b>	<b>2,525,965</b>	<b>Work Percent Complete:</b>	<b>41%</b>
<b>Budget Balance:</b>	<b>11,374,035</b>	<b>% of 2024 Budget Spent:</b>	<b>18%</b>

5. **SERVICE CONNECTION REPLACEMENT PROJECT – PHASE 3 (PENNVEST)**: EWW was awarded a \$4.1M grant and \$1.9M loan from PENNVEST to replace or abandon 850 lead service lines within PA DEP Environmental Justice Areas throughout the City of Erie. The bid was awarded to Konzel Construction in the amount of \$5,022,000. The PENNVEST closing occurred in November 2023. Work began in February 2024.

- Through August 2024 Konzel has completed 393 private service line investigations (in-house), 595 underground service line investigations, 2 service line abandonments, 8 EWW side replacements, and 4 customer side replacements.

<b>2024 Budget Funding:</b>	<b>6,000,000</b>	<b>Contracts Awarded:</b>	<b>October 2023</b>
<b>Current Month's Expend:</b>	<b>29,821</b>	<b>Contracted Completion:</b>	<b>December 2026</b>
<b>Y-T-D Expenditures:</b>	<b>1,227,782</b>	<b>Work Percent Complete:</b>	<b>20%</b>
<b>Budget Balance:</b>	<b>4,772,218</b>	<b>% of 2024 Budget Spent:</b>	<b>20%</b>

6. **SERVICE CONNECTION REPLACEMENT PROJECT – PHASE 4 (PENNVEST)**: EWW was awarded a \$14.1M grant and \$3.9M loan from PENNVEST to replace or abandon 2,000+ lead service lines within the City of Erie. The bid was awarded to Chivers Construction in the amount of \$15,732,710. The PENNVEST closing occurred in May 2024. Work began in June 2024.

- Through August 2024 Chivers has completed 396 private service line investigations (in-house), 485 underground service line investigations, 10 EWW side replacements, and 6 customer side replacements.

<b>2024 Budget Funding:</b>	<b>18,000,000</b>	<b>Contracts Awarded:</b>	<b>March 2024</b>
<b>Current Month's Expend:</b>	<b>550,384</b>	<b>Contracted Completion:</b>	<b>May 2027</b>
<b>Y-T-D Expenditures:</b>	<b>989,747</b>	<b>Work Percent Complete:</b>	<b>5%</b>
<b>Budget Balance:</b>	<b>17,010,253</b>	<b>% of 2024 Budget Spent:</b>	<b>5%</b>

**7. COOK & KNOLL WATER MAIN REPLACEMENT PROJECT (PENNVEST):** The project will replace 3,800 feet of 6-inch water main along Cook and Knoll Avenue in Harborcreek Township with new 8-inch ductile iron pipe. The existing water main is riddled with breaks which interrupt water service to many customers, cause major traffic disruptions, and lead to expensive pavement and lawn restoration. The project was awarded to Chivers Construction in the amount of \$1,144,137.50. The PENNVEST closing occurred on May 1, 2024. The notice to proceed was issued for May 3, 2024, and work began in June 2024.

- Through August 2024 Chivers has installed over 3,500 feet of new 8-inch ductile iron water main, and has reconnected over 20 water service lines.

<b>2024 Budget Funding:</b>	<b>1,400,000</b>	<b>Contracts Awarded:</b>	<b>March 2024</b>
<b>Current Month’s Expend:</b>	<b>100,883</b>	<b>Contracted Completion:</b>	<b>November 2024</b>
<b>Y-T-D Expenditures:</b>	<b>100,883</b>	<b>Work Percent Complete:</b>	<b>63%</b>
<b>Budget Balance:</b>	<b>1,299,117</b>	<b>% of 2024 Budget Spent:</b>	<b>7%</b>

**8. GREENE TWP WATER MAIN EXTENSION KIRSCH ROAD (DCED GRANTS):** The Greene Township Supervisors asked EWW to evaluate multiple options for expansion into Greene Township in order to replace the Kirsch Road well and distribution system. EWW applied for the DCED Local Share Account – Gaming Funds and received \$1M to help accomplish that goal.  Greene Township has assigned their \$817,000 COVID-19 ARP H2O Grant to EWW. This budget accounts for the two grant funding sources. The bid was awarded to Pollard Land Services, Inc. in the amount of \$2,048,820. Work began in July 2024.

- Through August 2024 Pollard has installed all of the new 12-inch ductile iron water main and appurtenances, and has successfully completed all necessary testing. The tie-in and service lines will be scheduled for September. EWW has signed water service agreements with a total of 16 customers who will voluntarily connect to the new water main.

<b>2024 Budget Funding:</b>	<b>1,817,000</b>	<b>Contracts Awarded:</b>	<b>May 2024</b>
<b>Current Month’s Expend:</b>	<b>8,271</b>	<b>Contracted Completion:</b>	<b>November 2024</b>
<b>Y-T-D Expenditures:</b>	<b>8,271</b>	<b>Work Percent Complete:</b>	<b>55%</b>
<b>Budget Balance:</b>	<b>1,808,729</b>	<b>% of 2024 Budget Spent:</b>	<b>0%</b>

**ERIE WATER WORKS**  
**CAPITAL IMPROVEMENT PROJECTS COMMITTEE MEETING SUMMARY**  
**September 16, 2024**  
**Paul D. Gambill, CIP Committee Chairman**

**ATTENDEES**

*EWW Board:* Paul D. Gambill, Cheryl Rush Dix, Jeffrey Willis II

*EWW Staff:* Craig Palmer, Chad Ellsworth      *KLH Engineers:* Rob Horvat

**BIDS, COSTARS QUOTES, PROFESSIONAL SERVICE PROPOSALS & AGREEMENTS – N/A**

**AUGUST FINANCIALS** – In August, EWW spent \$2,240,200 on capital projects, while PAYGO equaled \$245,500. Total system investment for August was \$2,485,700, and for the year thus far was \$9,730,136.

**PROJECT UPDATES** – A detailed status report was provided. A brief summary is presented below:

1. **RSW WTP Sedimentation Basin Improvements** – Wm. T. Spaeder and the manufacturer Envirodyne Systems have initiated the production of the new collector mechanism equipment. Work is tentatively scheduled for the spring 2025 shut down at RSW WTP.
2. **Asbury Tanks Pump Station Replacement** – Construction began in May and work completed thus far includes the new building slab on grade, foundation walls, step footings, and form work and rebar for the suspended slab.
3. **RSW WTP Low Duty Pump & Motor Improvements** – Two of the four motors have shipped and installation work has begun. The other two motors are expected to ship in September 2024 to RAM Industrial Services, and witness testing will follow.
4. **Service Connection Replacement Project (Phase 2)** – Through August 2024 Konzel has completed 1,573 private service line investigations (in-house), 1,839 underground service line investigations, 902 service line abandonments, 738 EWW side replacements, and 607 customer side replacements.
5. **Service Connection Replacement Project (Phase 3)** – Through August 2024 Konzel has completed 393 private service line investigations (in-house), 595 underground service line investigations, 2 service line abandonments, 8 EWW side replacements, and 4 customer side replacements .
6. **Service Connection Replacement Project (Phase 4)** – Through August 2024 Chivers has completed 396 private service line investigations (in-house), 485 underground service line investigations, 10 EWW side replacements, and 6 customer side replacements.
7. **Cook & Knoll Water Main Replacement Project** – Through August 2024 Chivers has installed over 3,500 feet of new 8-inch ductile iron water main, and has reconnected over 20 water service lines.
8. **Greene Twp. Water Main Extension Project (DCED Grants)** – Through August 2024 Pollard has installed all of the new 12-inch ductile iron water main and appurtenances, and has successfully completed all necessary testing. The tie-in and service lines will be scheduled for September. EWW has signed water service agreements with a total of 16 customers who will voluntarily connect to the new water main.

**ERIE WATER WORKS**  
**GREENE TOWNSHIP WATER MAIN EXTENSION PROJECT PHASE 2**  
**STATEWIDE LOCAL SHARE ACCOUNT – GRANT APPLICATION**  
**RESOLUTION #091924-05**

BE IT RESOLVED, that the Erie City Water Authority (dba Erie Water Works) of Erie County, hereby request a Statewide Local Share Assessment Grant of \$1,000,000 from the Commonwealth Financing Authority to be used for the further expansion of water service into Greene Township from the Phase 1 project that is currently under construction. This expansion shall be known as the Phase 2 extension and includes the installation of approximately 8,150 feet of 12 inch diameter ductile iron pipe extending from Morehouse Road, along the Commercial Corridor of Pennsylvania Route 8 in Greene Township, to the intersection of Route 8 and Interstate 90 in Millcreek Township. Not only will this expansion support several businesses along the Commercial Corridor of Route 8 leading to further inter-municipal economic development within both Greene Township and Millcreek Township, but will also provide access to public water service to Greene Township residents along Morehouse Road and Route 8.

BE IT FURTHER RESOLVED, that the Applicant does hereby designate Craig H. Palmer, CEO, and Paul D. Gambill, Board Secretary, as the officials to execute all documents and agreements between the Erie Water Works and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, Paul D. Gambill, duly qualified Secretary of the Erie Water Works, Erie County, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the Erie Water Works at a regular meeting held September 19, 2024 and said Resolution has been recorded in the Minutes of the Erie Water Works and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the Erie Water Works, this 19<sup>th</sup> day of September, 2024.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

BY: \_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensur \_\_\_ C. Rush Dix \_\_\_ P. Gambill \_\_\_ R. Wagner \_\_\_

S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Bergquist \_\_\_ J. Willis \_\_\_ H. Harrington \_\_\_



**ERIE WATER WORKS**  
**CLARK ROAD WATER MAIN EXTENSION PROJECT**  
**STATEWIDE LOCAL SHARE ACCOUNT – GRANT APPLICATION**  
**RESOLUTION #091924-06**

BE IT RESOLVED, that the Erie City Water Authority (dba Erie Water Works) of Erie County, hereby request a Statewide Local Share Assessment Grant up to \$1,000,000 from the Commonwealth Financing Agency to be used for the further expansion of water service into Harborcreek Township south along Clark Road across Sixmile Creek towards the Harborcreek Community Park. This project would include the installation of approximately 4,200 feet of 8-inch diameter ductile iron pipe extending from 2108 Clark Road to 3211 Clark Road in Harborcreek Township. This main extension will provide Erie Water Works with the ability to provide public water service to 45 new customers, including the Harborcreek Township Community Park. There are residents along Clark Road, who are plagued by water shortages, which require them to truck in water during the drier months. Additionally, the water at the Harborcreek Township Park is not potable due to bacterial contamination.

BE IT FURTHER RESOLVED, that the Applicant does hereby designate Craig H. Palmer, CEO, and Paul D. Gambill, Board Secretary, as the officials to execute all documents and agreements between the Erie Water Works and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, Paul D. Gambill, duly qualified Secretary of the Erie Water Works, Erie County, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the Erie Water Works at a regular meeting held September 19, 2024 and said Resolution has been recorded in the Minutes of the Erie Water Works and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the Erie Water Works, this 19<sup>th</sup> day of September, 2024.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

BY: \_\_\_\_\_  
Secretary

BY: \_\_\_\_\_  
Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensur \_\_\_ C. Rush Dix \_\_\_ P. Gambill \_\_\_ R. Wagner \_\_\_

S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Bergquist \_\_\_ J. Willis \_\_\_ H. Harrington \_\_\_

**ERIE WATER WORKS**  
**EXECUTIVE COMPENSATION**

**RESOLUTION #091924-07**

RESOLVED, by the Board of the Erie Water Works, that the Chief Executive Officer be provided with a salary increase from \$190,000 to \$227,500, effective April 1, 2024.

**EXPLANATION**

The Erie Water Works management team undergoes an annual performance review with associated salary adjustments effective April 1, 2024. The executive compensation of the CEO is also evaluated at that time. To ensure the CEO's compensation remains competitive and aligned with industry standards, the Chairman and HR Committee engaged J.L. Nick & Associates to conduct a comprehensive benchmarking study. The resulting analysis, which incorporates data from the American Water Works Association, the ERI Economic Research Institute, and other sources, serves as the basis for the recommended compensation adjustment. This is the recommendation of the Human Resources Committee.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
Chairman

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

D. Bensur \_\_\_ R. Bergquist \_\_\_ C. Rush Dix \_\_\_ P. Gambill \_\_\_

H. Harrington \_\_\_ S. Hilliard \_\_\_ D. Palotas \_\_\_ R. Wagner \_\_\_ J. Willis \_\_\_

## **Erie Water Works Pension Committee Report**

A Pension Committee Meeting took place on August 20, 2024 at 11:30 a.m.

- Sean Sullivan reported the Plan closed the quarter at \$39,259,791. There was a lengthy discussion about the performance of the managers and their investment strategies.
- Don Nicholson from Northwest Bank reported their portion of the Plan closed the quarter at \$23.9M. There was discussion about their asset mix including looking at more fixed holdings and investing locally.
- The committee approved the request for retirement benefits for Ronald Loader, Thomas Brown, and Arthur Schwindt. The committee also approves the request for Pension Contributions from Eric Fellows and Katherine Hall.
- The next quarterly pension committee meeting is scheduled for Tuesday, November 26, 2024 at 11:30 a.m.
- The approved minutes from the May 21, 2024 Pension Plan Committee are included with the report.

ERIE WATER WORKS  
Minutes from the Pension Plan Committee Meeting  
May 21, 2024

Committee Members:

Richard Wagner, Chairman – Present  
Shantel Hilliard, Committee Member – Absent  
Daniel Bensur, Committee Member – Absent  
Amanda Donegan (exp. 05/27), Committee Member – Present  
Emily Spangler (exp. 02/26), Committee Member – Present  
Anthony Milano (exp. 08/24), Committee Member – Present  
Brian Young (exp. 2/25), Committee Member – Present

Others in Attendance:

Craig Palmer, CEO  
Jennifer Valerio, Finance Director  
Ron Loader, Pension Plan Administrator  
Kim Wertz, Executive Assistant

- I. Call to Order – The meeting of the Pension Plan Committee was called to order by R. Wagner at 11:30 a.m. on Tuesday, May 21, 2024. D. Bensur and S. Hilliard were absent from the meeting.
- II. Approval of the Minutes – B. Young motioned and A. Milano seconded the approval of the minutes from the February 20, 2024 Pension Committee Meeting. The minutes were approved by unanimous voice vote of all committee members present.
- III. New Business

Sean Sullivan Investment Review - S. Sullivan reviewed the EWW investment analysis for the quarter ending March 31, 2024. The Plan had a total return of 6.4%. S. Sullivan stated for the quarter the Plan fell below the 75<sup>th</sup> percentile when compared to other defined benefit plans and endowment plans. The yellow column on page 4 of the agenda shows how Erie Bank and Northwest compare going back to when funds were split in 2018. S. Sullivan stated in his opinion the committee shouldn't evaluate the managers on a quarterly basis. They should be evaluated for a longer period of time. The report shows a return of 8.05% for Erie Bank and 6.59% for Northwest. Since the split was made, the Plan had a total return of 7.55%. Erie Bank did have a good 2023 compared to Northwest but the committee should look at the full picture.

There was discussion about the investment fees charged by each manager. S. Sullivan stated Northwest doesn't have investment fees clearly marked on their invoice. C. Palmer will look into those fees and report back to the committee. S. Sullivan stated he was asked as a follow-up from the last meeting if Erie Bank's fees are too high. C. Palmer asked if two investment managers are enough. S. Sullivan said yes. S. Sullivan noted he did the City pension audit for many years and they had five managers. It was too much. Two managers are fine to compare and judge each other against. S. Sullivan stated the committee has a history to evaluate going back to 2018. Erie Bank has consistently done a little worse than Northwest. C. Palmer stated there are a number things to compare, for example are they operating within in the guidelines identified in EWW's investment policy. Reviewing that policy every 3-5 years is typical. B. Young stated he'd rather pay a little more for a good manager and get a better return. S. Sullivan stated those fees are included in their investment return. Sean considers those fees to be a gain or a loss. They are apples and apples. The only thing missing for a fee comparison is to identify where Northwest has their fees.

S. Sullivan also compared the Plan against the benchmark on page 5. The overall return was 6.4% for the quarter. The weighted average of the benchmark is 4.3%. The Plan is a full 2% better than the stock market. He stated that's very good; probably the more important comparison to make. Page 8 shows the asset mix for the fund. Overall as of March 31, 2024 there are \$39,733,124 of assets in the fund. \$24,856,309 for Northwest and \$14,876,815 for Erie Bank - 69% Equity, 28% in Fixed Income and 2.5% in Cash. They're in line with the EWW investment policy. S. Sullivan stated to keep in mind this is just a snapshot of one point in time.

Page 9 is a new report showing the asset allocation by manager and in total for each quarter. Erie Bank has a tendency to lean more towards fixed income than Northwest.

Page 10 shows the net appreciation as of March 31, 2024. Northwest is \$3M to the good of appreciation of assets. Erie Bank is \$2.6M to the good. Overall about \$6M to the good on your investments. S. Sullivan reminded the committee that Northwest receives payments and makes payments out of their portion of the fund. Erie Bank is purely investment. Northwest has a little better cumulative return than Erie Bank.

C. Palmer asked about investing in local companies. S. Sullivan stated if the committee starts dictating to the fund managers then the committee is responsible for the results. It's up to the managers to make those decisions to give you the best returns. That's what they are paid to do.

R. Wagner thanks S. Sullivan for the report and review.  
S. Sullivan left the meeting.

C. Palmer noted it's Ron Loader's last meeting.

R. Loader stated that Northwest sends EWW a bill each quarter. C. Palmer will dig deeper into that and report back to the committee regarding fees.

T. Burch, 1865 Wealth Advisors – T. Burch reported the account is doing well. T. Burch reviewed the market barometer on page 15 of the agenda. T. Burch reviewed page 22 of the agenda. He stated the white box is a good representation of EWW's portfolio with a 60/40 split. We don't want it at the bottom and the top is too much risk. We want to keep that white box in the middle. We utilize all of the different asset classes to keep it in the middle. T. Burch stated they aren't an expert in every category so they partner with different managers who are experts. One manager on the account wasn't performing well so they swapped them out with another manager. He stated they'll always look for the best manager. T. Burch reviewed the account composition on page 26 of the agenda. T. Burch stated the Plan closed as of April 30, 2024 at \$14,543,590. The fund was down -2.2%. T. Burch stated they're adjusting some equities in the next quarter. There was discussion about updating the authorized signers on the account.

Natalie Heberlein, Felix & Gloekler, PC reviewed the draft 2023 pension audit with the committee. It was a clean opinion. There were no issues. N. Heberlein reviewed the total investments on page 50 of the agenda. The total investments of the Plan are \$38,038,666. The overall increase to the net position was \$4.2M. The Plan is in good shape. As of December 31, 2023 the Plan's total pension liability was \$41.35 million with a funding level of 92.04%. J. Valerio asked what percentage of liability should be concerning. N. Heberlein stated 50% - 70%. The EWW Plan is in the top percentile. C. Palmer asked about the statement on page 72 referring to "risks identified". N. Heberlein stated it's not specific to you. It's a standard statement. The committee accepted the audit as presented.

R. Wagner motioned and A. Donegan seconded Resolution #052124-01 approving the request for retirement benefits for Whitney Cox in accordance with the attached "ECWA Retirement Plan Participation Termination Data and Authorization for Distribution forms.

Resolution #052124-01 passed by unanimous voice vote by all board members present.

IV. Old Business –

Each committee member received a folder with the Retirement Plan Document, DROP Document, and Investment Policy.

The next quarterly Pension Committee Meeting is scheduled for Tuesday, August 20, 2024 at 11:30 a.m.



**Knox McLaughlin Gornall & Sennett, P.C.**

120 West Tenth Street | Erie, Pennsylvania 16501-1461  
814-459-2800 | 814-453-4530 fax | [www.kmgslaw.com](http://www.kmgslaw.com)

Timothy M. Sennett  
[tsennett@kmgslaw.com](mailto:tsennett@kmgslaw.com)

September 16, 2024

Mr. Dan Bensur  
Chairman  
Erie Water Works  
340 West Bayfront Parkway  
Erie, PA 16507

RE: September 2024 Status Report

Dear Mr. Bensur:

The purpose of this letter is to provide a status report in regard to legal services for the month of September, 2024.

**PENNVEST**

Our office has filed with the Department of Community and Economic Development ("DCED") for approval of the City of Erie's guarantee of the Lead Service Line Replacement Project – Phase 5 loan in the amount of \$471,795. The filing has passed the preliminary review and final approval from DCED will be issued on September 23, 2024.

**ERIE YACHT CLUB**

We have worked with Mr. Palmer to finalize Easements, a Waterline Agreement and a Developer's Agreement between Erie Yacht Club, Erie-Western Pennsylvania Port Authority and Erie Water Works for a new water line to service the Erie Yacht Club.

If you have any questions concerning these matters, please contact me at any time.

Very truly yours,

KNOX McLAUGHLIN GORNALL &  
SENNETT, P.C.

By: 

Timothy M. Sennett

TMS/smt  
# 2534043.v1