

**ERIE WATER WORKS  
BOARD MEETING  
February 20, 2025  
AGENDA**

- I. Roll Call**
- II. Approval of Minutes January 16, 2025 Board Meeting**
- III. Public Comments**
- IV. CEO Report (page 2)**
- V. Finance Committee**
  - A. General Report (pages 3-8)**
  - B. Audit Services (pages 9-17)**
    - Resolution #022025-01
  - C. Northwest Bank Signature Authorization (pages 18-19)**
    - Resolution #022025-02
  - D. Ratification of Staff Payment of Invoices (page 20)**
    - Resolution #022025-03
- VI. Capital Improvements Committee**
  - A. General Report (pages 21-25)**
  - B. Award of Construction & Professional Services Contracts – State Street Water Main Replacement (pages 26-28)**
    - Resolution #022025-04
- VII. Human Resources Committee**
  - A. General Report (pages 29-30)**
  - B. Management Compensation Level Adjustments (page 31)**
    - Resolution #022025-05
- VIII. Old Business**
- IX. Solicitor's Report**
  - A. General Report (page 32)**
- X. New Business**
- XI. Adjournment**

ERIE WATER WORKS  
Chief Executive Officer's Report  
February 20, 2025

**1. Employee Engagement**

- a. Welcome new Team Members - Brandy Baldi, Nathan Hutchison, Zach Dunar, and Jason Chapman
- b. Mike Szychowski retirement
- c. Quarterly Department Meetings

**2. Stakeholder & Community Outreach**

- a. Lake Erie Ale Trail Tour @ the RSW WTP in late January
- b. The Associated Press will be on site next week to tour the RSW WTP Fluoride facility and conduct an interview.
- c. Attended the Erie Coke Community Input meeting February 19th
- d. TAP814 Update

**3. Other**

- a. The Erie Water Works Pension Meeting is scheduled for February 25th at 11:30 a.m. at the Administration Building.
- b. PENNVEST Galvanized Requiring Replacement - Phase 1 Offer

## Executive Finance Report

January 2025

The first month of 2025 generated \$3.6M in Water Sales and approximately \$178K for all Other Revenues, bringing Total Revenues for January 2025 to \$3.8M or 93% of budget. This is a solid start to the fiscal year.

January's Operating Expenditures were \$1.56M or 79% of the monthly budget. When combined with the month's debt service, Total Expenditures were \$3.7M or 90% of budget.

With the start of 2025FY operations, financial results remain comparable with previous years.

**As a result, operations for 2025FY produced a net surplus of \$114K.**

This performance is slightly behind outcomes of the previous two years as follows

- 2023 - \$217K surplus
- 2024 - \$171M surplus

The debt service coverage is at 124% and remains above the requirement of 120%.

The Erie Water Works' current account receivable balance trended up during the month, resulting with an AR balance of **\$6.4M** as of January 31, 2025. This jump in January is a trend for the first month of the past few Fiscal Years. With Management's monitoring of Delinquencies, the balance has decreased almost \$500K since the end of October 2024.

At the end of January, the CIP spreadsheet details **\$812K** invested on debt-funded / cash reserve projects and **\$96K** paid towards PAYGO projects. Combined, Erie Water Works invested approximately **\$907K** into the water system in January 2025.

The cash reconciliation at the end of the CIP spreadsheet is Erie Water Works' current cash position. At the end of January, the cash position is **\$3.7M** of Current Funding Relative to Future Expenditures.

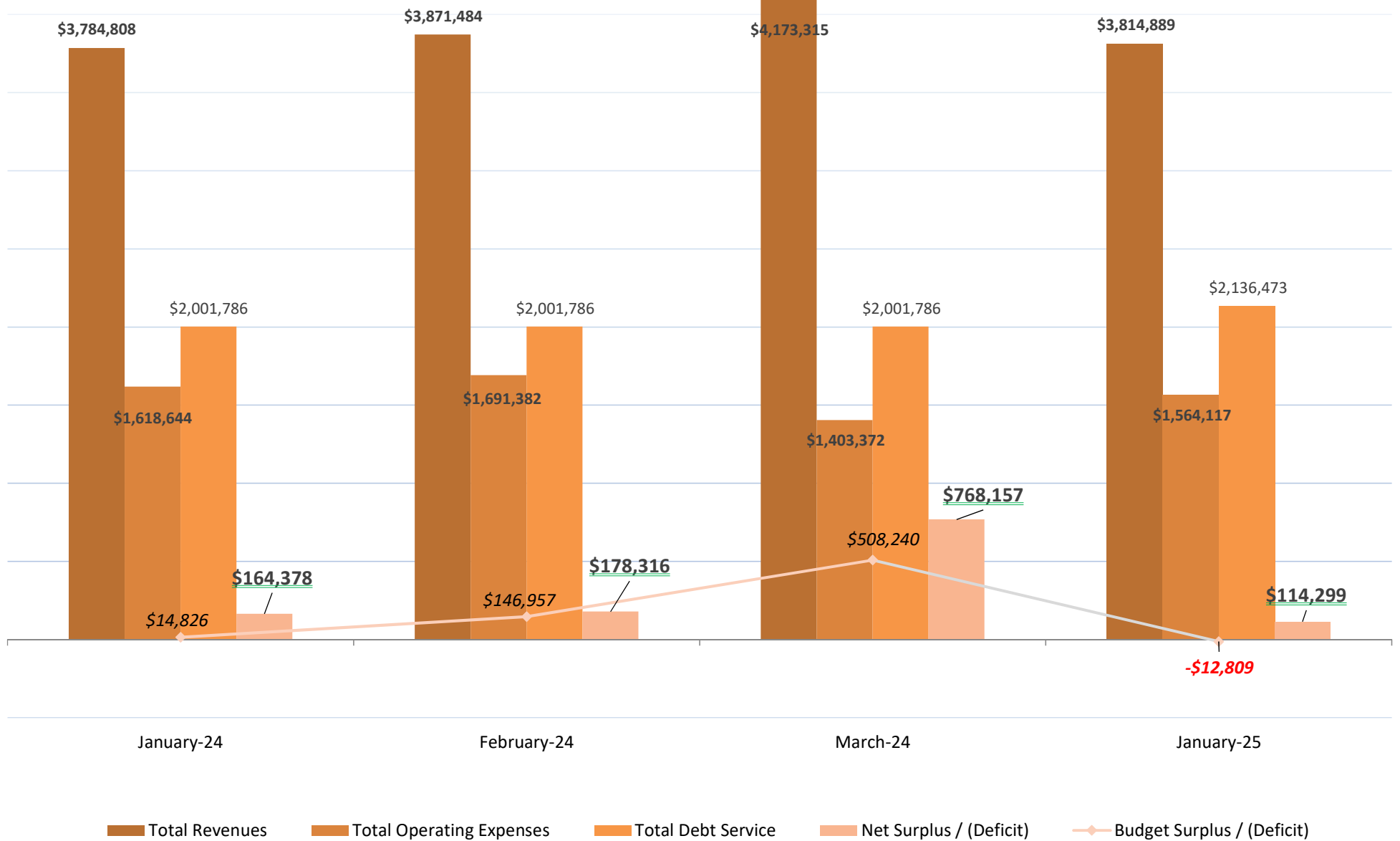
**ERIE WATER WORKS**  
**REVENUE AND EXPENDITURE REPORT**  
January 2025

|                                  | <u>Month<br/>Budget</u> | <u>Month<br/>Actual</u> | <u>Actual as % of<br/>Month Budget</u> | <u>YTD<br/>Budget</u> | <u>YTD<br/>Actual</u> | <u>Actual as % of<br/>YTD Budget</u> | <u>Annual<br/>Budget</u> | <u>YTD as % of<br/>Annual Budget</u> |
|----------------------------------|-------------------------|-------------------------|--|-----------------------|-----------------------|--------------------------------------|--------------------------|--------------------------------------|
| <b>REVENUES:</b>                 |                         |                         |  |                       |                       |                                      |                          |                                      |
| <b>WATER SALES</b>               | 3,827,151               | 3,636,241               | 95%                                    | 3,827,151             | 3,636,241             | 95%                                  | 50,159,940               | 7%                                   |
| <b>BILLINGS SERVICES</b>         | 54,362                  | 54,362                  | 100%                                   | 54,362                | 54,362                | 100%                                 | 652,340                  | 8%                                   |
| <b>CONTRACT INCOME</b>           | 29,167                  | 29,167                  | 100%                                   | 29,167                | 29,167                | 100%                                 | 350,000                  | 8%                                   |
| <b>INVESTMENT EARNINGS</b>       | 54,167                  | 46,014                  | 85%                                    | 54,167                | 46,014                | 85%                                  | 650,000                  | 7%                                   |
| <b>OTHER REVENUES:</b>           |                         |                         |  |                       |                       |                                      |                          |                                      |
| <b>TAPPING PRIVILEGE FEES</b>    | 8,333                   | 1,275                   | 15%                                    | 8,333                 | 1,275                 | 15%                                  | 100,000                  | 1%                                   |
| <b>CONNECTION FEES</b>           | 10,417                  | -                       | 0%                                     | 10,417                | -                     | 0%                                   | 125,000                  | 0%                                   |
| <b>MISCELLANEOUS REVENUE</b>     | 111,250                 | 47,831                  | 43%                                    | 111,250               | 47,831                | 43%                                  | 1,335,000                | 4%                                   |
| <b>TOTAL OTHER REVENUES</b>      | <u>130,000</u>          | <u>49,106</u>           | <u>38%</u>                             | <u>130,000</u>        | <u>49,106</u>         | <u>38%</u>                           | <u>1,560,000</u>         | <u>3%</u>                            |
| <b>TOTAL REVENUES</b>            | <u>4,094,846</u>        | <u>3,814,889</u>        | <u>93%</u>                             | <u>4,094,846</u>      | <u>3,814,889</u>      | <u>93%</u>                           | <u>53,372,280</u>        | <u>7%</u>                            |
| <b>EXPENDITURES:</b>             |                         |                         |  |                       |                       |                                      |                          |                                      |
| <b>01 ADMINISTRATION</b>         | 405,678                 | 255,492                 | 63%                                    | 405,678               | 255,492               | 63%                                  | 5,000,038                | 5%                                   |
| <b>02 DISTRIBUTION</b>           | 266,950                 | 262,555                 | 98%                                    | 266,950               | 262,555               | 98%                                  | 4,030,746                | 7%                                   |
| <b>03 METER DIVISION</b>         | 83,141                  | 81,417                  | 98%                                    | 83,141                | 81,417                | 98%                                  | 1,057,589                | 8%                                   |
| <b>04 PUMPING AND FILTRATION</b> | 673,603                 | 571,093                 | 85%                                    | 673,603               | 571,093               | 85%                                  | 6,510,420                | 9%                                   |
| <b>05 MAINTENANCE</b>            | 136,856                 | 71,724                  | 52%                                    | 136,856               | 71,724                | 52%                                  | 1,759,728                | 4%                                   |
| <b>06 LABORATORY</b>             | 69,486                  | 49,585                  | 71%                                    | 69,486                | 49,585                | 71%                                  | 870,546                  | 6%                                   |
| <b>07 CUSTOMER SERVICE</b>       | 127,248                 | 103,801                 | 82%                                    | 127,248               | 103,801               | 82%                                  | 1,591,064                | 7%                                   |
| <b>08 ENGINEERING</b>            | 107,652                 | 82,332                  | 76%                                    | 107,652               | 82,332                | 76%                                  | 1,369,371                | 6%                                   |
| <b>09 FINANCE</b>                | 99,775                  | 86,033                  | 86%                                    | 99,775                | 86,033                | 86%                                  | 1,230,447                | 7%                                   |
| <b>10 BOARD</b>                  | 793                     | 85                      | 11%                                    | 793                   | 85                    | 11%                                  | 9,520                    | 1%                                   |
| <b>SUBTOTAL</b>                  | <u>1,971,182</u>        | <u>1,564,117</u>        | <u>79%</u>                             | <u>1,971,182</u>      | <u>1,564,117</u>      | <u>79%</u>                           | <u>23,429,469</u>        | <u>7%</u>                            |
| <b>DEBT SERVICE</b>              | <u>2,136,473</u>        | <u>2,136,473</u>        | <u>100%</u>                            | <u>2,136,473</u>      | <u>2,136,473</u>      | <u>100%</u>                          | <u>25,637,676</u>        | <u>8%</u>                            |
| <b>TOTAL EXPENDITURES</b>        | <u>4,107,655</u>        | <u>3,700,590</u>        | <u>90%</u>                             | <u>4,107,655</u>      | <u>3,700,590</u>      | <u>90%</u>                           | <u>49,067,145</u>        | <u>8%</u>                            |
| <b>SURPLUS / (DEFICIT)</b>       | <u>(12,809)</u>         | <u>114,299</u>          |  | <u>(12,809)</u>       | <u>114,299</u>        |                                      |                          |                                      |
| <b>DEBT SERVICE COVERAGE</b>     |                         |                         |  |                       | <u>124%</u>           |                                      |                          |                                      |
| <b>PAY-AS-YOU-GO PROJECTS</b>    |                         |                         |  |                       | <b>95,799</b>         |                                      | 4,305,135                | 2%                                   |

**ERIE WATER WORKS  
EXPENDITURE REPORT  
January 2025**

|   | <u>Month<br/>Budget</u> | <u>Month<br/>Actual</u> | <u>Actual as %<br/>of Budget</u> | <u>YTD<br/>Budget</u> | <u>YTD<br/>Actual</u> | <u>'24 YTD<br/>Actual</u> | <u>Actual as %<br/>of YTD Budget</u> | <u>Annual<br/>Budget</u> | <u>YTD as % of<br/>Annual Budget</u> |
|---|-------------------------|-------------------------|----------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------------|--------------------------|--------------------------------------|
| <b>PERSONNEL</b>                        |                         |                         |                                  |                       |                       |                           |                                      |                          |                                      |
| Salaries                                | 229,839                 | 177,169                 | 77%                              | 229,839               | 177,169               | 219,913                   | 77%                                  | 2,987,907                | 6%                                   |
| Wages                                   | 358,108                 | 367,972                 | 103%                             | 358,108               | 367,972               | 353,778                   | 103%                                 | 4,655,410                | 8%                                   |
| Overtime                                | 40,321                  | 79,430                  | 197%                             | 40,321                | 79,430                | 50,465                    | 197%                                 | 524,168                  | 15%                                  |
| <b>Subtotal</b>                         | <b>628,268</b>          | <b>624,571</b>          | <b>99%</b>                       | <b>628,268</b>        | <b>624,571</b>        | <b>624,156</b>            | <b>99%</b>                           | <b>8,167,485</b>         | <b>8%</b>                            |
| <b>PERSONNEL BENEFITS</b>               |                         |                         |                                  |                       |                       |                           |                                      |                          |                                      |
| FICA-medicare taxes                     | 54,564                  | 53,878                  | 99%                              | 54,564                | 53,878                | 50,302                    | 99%                                  | 709,331                  | 8%                                   |
| Group insurance                         | 157,438                 | 67,646                  | 43%                              | 157,438               | 67,646                | 99,714                    | 43%                                  | 1,889,251                | 4%                                   |
| Unemployment compensation               | 12,500                  | 12,093                  | 97%                              | 12,500                | 12,093                | 0                         | 97%                                  | 12,500                   | 97%                                  |
| Workers comp insurance                  | 10,000                  | 0                       | 0%                               | 10,000                | 0                     | 0                         | 0%                                   | 120,000                  | 0%                                   |
| Pension contribution                    | 134,765                 | 134,156                 | 100%                             | 134,765               | 134,156               | 131,434                   | 100%                                 | 1,617,174                | 8%                                   |
| <b>Subtotal</b>                         | <b>369,266</b>          | <b>267,773</b>          | <b>73%</b>                       | <b>369,266</b>        | <b>267,773</b>        | <b>281,450</b>            | <b>73%</b>                           | <b>4,348,256</b>         | <b>6%</b>                            |
| <b>SUPPLIES &amp; MATERIALS</b>         |                         |                         |                                  |                       |                       |                           |                                      |                          |                                      |
| Office supplies                         | 2,479                   | 279                     | 11%                              | 2,479                 | 279                   | 1,105                     | 11%                                  | 29,750                   | 1%                                   |
| Operating supplies                      | 50,864                  | 49,458                  | 97%                              | 50,864                | 49,458                | 40,335                    | 97%                                  | 610,370                  | 8%                                   |
| Fuel                                    | 19,146                  | 13,849                  | 72%                              | 19,146                | 13,849                | 13,159                    | 72%                                  | 229,750                  | 6%                                   |
| Backfill material                       | 15,833                  | 29,223                  | 185%                             | 15,833                | 29,223                | 39,388                    | 185%                                 | 190,000                  | 15%                                  |
| Plant chemicals                         | 135,457                 | 21,630                  | 16%                              | 135,457               | 21,630                | 56,591                    | 16%                                  | 1,625,480                | 1%                                   |
| Small tools and minor equipment         | 16,517                  | 9,223                   | 56%                              | 16,517                | 9,223                 | 7,715                     | 56%                                  | 198,200                  | 5%                                   |
| Uniforms                                | 3,831                   | 1,639                   | 43%                              | 3,831                 | 1,639                 | 2,224                     | 43%                                  | 45,970                   | 4%                                   |
| Printing & reproduction                 | 663                     | 0                       | 0%                               | 663                   | 0                     | 0                         | 0%                                   | 7,950                    | 0%                                   |
| Software, refer material, subscriptions | 3,538                   | 276                     | 8%                               | 3,538                 | 276                   | 495                       | 8%                                   | 42,450                   | 1%                                   |
| <b>Subtotal</b>                         | <b>248,327</b>          | <b>125,576</b>          | <b>51%</b>                       | <b>248,327</b>        | <b>125,577</b>        | <b>161,012</b>            | <b>51%</b>                           | <b>2,979,920</b>         | <b>4%</b>                            |
| <b>OTHER SERVICES AND CHARGES</b>       |                         |                         |                                  |                       |                       |                           |                                      |                          |                                      |
| Professional services-engineering       | 1,000                   | 0                       | 0%                               | 1,000                 | 0                     | 375                       | 0%                                   | 12,000                   | 0%                                   |
| Professional services-legal, other      | 24,063                  | 2,698                   | 11%                              | 24,063                | 2,698                 | 13,693                    | 11%                                  | 288,750                  | 1%                                   |
| Travel, training and seminars           | 6,808                   | 693                     | 10%                              | 6,808                 | 693                   | 2,852                     | 10%                                  | 81,700                   | 1%                                   |
| Communications                          | 2,729                   | 717                     | 26%                              | 2,729                 | 717                   | 499                       | 26%                                  | 32,750                   | 2%                                   |
| Postage                                 | 2,333                   | 447                     | 19%                              | 2,333                 | 447                   | 405                       | 19%                                  | 28,000                   | 2%                                   |
| Administrative costs-permits, fees      | 55,665                  | 39,778                  | 71%                              | 55,665                | 39,778                | 46,156                    | 71%                                  | 667,985                  | 6%                                   |
| Utilities                               | 417                     | 0                       | 0%                               | 417                   | 0                     | 118                       | 0%                                   | 5,000                    | 0%                                   |
| Utilities-electricity                   | 173,450                 | 187,443                 | 108%                             | 173,450               | 187,443               | 186,987                   | 108%                                 | 2,081,400                | 9%                                   |
| Utilities-natural gas                   | 10,179                  | 8,759                   | 86%                              | 10,179                | 8,759                 | 18,381                    | 86%                                  | 122,150                  | 7%                                   |
| Utilities-telecommunications            | 15,498                  | 15,494                  | 100%                             | 15,498                | 15,494                | 15,510                    | 100%                                 | 185,980                  | 8%                                   |
| Refuse and disposal                     | 215,000                 | 211,642                 | 98%                              | 215,000               | 211,642               | 131,349                   | 98%                                  | 916,000                  | 23%                                  |
| Rentals                                 | 1,107                   | 0                       | 0%                               | 1,107                 | 0                     | 0                         | 0%                                   | 13,280                   | 0%                                   |
| Contracted services                     | 76,939                  | 31,097                  | 40%                              | 76,939                | 31,097                | 23,611                    | 40%                                  | 923,270                  | 3%                                   |
| Vehicle maintenance                     | 21,085                  | 8,240                   | 39%                              | 21,085                | 8,240                 | 8,635                     | 39%                                  | 253,025                  | 3%                                   |
| Street cuts                             | 500                     | 0                       | 0%                               | 500                   | 0                     | 4,865                     | 0%                                   | 800,000                  | 0%                                   |
| Barricades                              | 1,208                   | 0                       | 0%                               | 1,208                 | 0                     | 0                         | 0%                                   | 14,500                   | 0%                                   |
| Lawn maintenance                        | 500                     | 0                       | 0%                               | 500                   | 0                     | 10,515                    | 0%                                   | 105,950                  | 0%                                   |
| Maintenance agreements                  | 78,708                  | 10,986                  | 14%                              | 78,708                | 10,986                | 46,174                    | 14%                                  | 944,500                  | 1%                                   |
| Miscellaneous services and charges      | 4,596                   | 90                      | 2%                               | 4,596                 | 90                    | 118                       | 2%                                   | 55,150                   | 0%                                   |
| Insurance-general liability             | 33,535                  | 28,112                  | 84%                              | 33,535                | 28,112                | 25,470                    | 84%                                  | 402,418                  | 7%                                   |
| <b>Subtotal</b>                         | <b>725,322</b>          | <b>546,196</b>          | <b>75%</b>                       | <b>725,322</b>        | <b>546,196</b>        | <b>535,713</b>            | <b>75%</b>                           | <b>7,933,808</b>         | <b>7%</b>                            |
| <b>TOTAL OPERATING EXPENSES</b>         | <b>1,971,182</b>        | <b>1,564,117</b>        | <b>79%</b>                       | <b>1,971,182</b>      | <b>1,564,117</b>      | <b>1,602,331</b>          | <b>79%</b>                           | <b>23,429,469</b>        | <b>7%</b>                            |

## ERIE WATER WORKS 2025FY Operational Outcomes



ERIE WATER WORKS  
WATER A/R AGING AS OF JANUARY 2025



—●— Total Water A/R    —●— Current A/R    —●— 90 - 365 Days A/R    —●— Delinquencies > 365 Days

**ERIE WATER WORKS**  
**CAPITAL IMPROVEMENT PROJECTS**  
**January 2025**

|   |   | January-25   | EXPENSES          |                   |
|---|---|--|-------------------|-------------------|
|   |   | BUDGET   | TO DATE           | BALANCE           |
| <b>TREATMENT:</b>                               |   |  |                   |                   |
| 1   | RICHARD S. WASIELEWSKI (RSW) WTP PHASE 3 IMPROVEMENTS (PENNVEST PRO-FI 1)       | 320,000  | -                 | 320,000           |
| 2   | CORROSION CONTROL OPTIMIZATION  | 35,000   | -                 | 35,000            |
| 3   | RSW WTP - SEDIMENTATION BASIN IMPROVEMENTS (BOND)                               | 2,860,000  | -                 | 2,860,000         |
| 4   | CHESTNUT WTP - PRELIMINARY PLANNING & DESIGN (BOND)                             | 200,000  | -                 | 200,000           |
| <b>PUMPING:</b>                                 |   |  |                   |                   |
| 5   | ASBURY TANKS PS REPLACEMENT (PENNVEST PRO-FI 2)                                 | 4,000,000  | -                 | 4,000,000         |
| 6   | SIGSBEE PUMP STATION UPGRADE  | 160,000  | -                 | 160,000           |
| <b>TRANSMISSION &amp; DISTRIBUTION</b>          |   |  |                   |                   |
| 7   | KUNTZ RD WM EXTENSION, SOUTH BSTR PD FEED TO PEACH PD (Design)                  | 25,000   | -                 | 25,000            |
| 8   | BAYFRONT PARKWAY WATER MAIN RELOCATION (PENNDOT)                                | 35,000   | -                 | 35,000            |
| 9   | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 2 (PENNVEST GRANT)                 | 8,400,000  | 10,047            | 8,389,953         |
| 10  | DEPOT ROAD WATER MAIN RELOCATION (PENNDOT)                                      | 15,000   | -                 | 15,000            |
| 11  | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 3 (PENNVEST GRANT/LOAN)            | 4,800,000  | -                 | 4,800,000         |
| 12  | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 4 (PENNVEST GRANT/LOAN)            | 16,200,000   | 380,648           | 15,819,352        |
| 13  | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 5 (PENNVEST GRANT/LOAN; WB/LP)     | 705,000  | 95                | 704,905           |
| 14  | SYSTEM CONTROL VALVE SCADA  | 55,000   | -                 | 55,000            |
| 15  | CIDER MILL WATER MAIN RELOCATION MILLCREEK BRIDGE                               | 80,000   | -                 | 80,000            |
| 16  | SERVICE CONNECTION REPLACEMENT PROJECT - CUSTOMER SIDE PHASE 1 (PENNVEST GRANT) | 6,500,000  | -                 | 6,500,000         |
| 17  | WOODLAWN, CAMPHAUSEN, FAIRMOUNT & HARRISON WM REPLACEMENT (PENNVEST PRO-FI 1)   | 100,000  | -                 | 100,000           |
| 18  | STATE STREET WATER MAIN REPLACEMENT (5TH TO 2ND) (BOND)                         | 1,100,000  | -                 | 1,100,000         |
| 19  | ASBURY TANK BOOSTER & CAUGHEY PRESSURE DISTRICT CONSOLIDATION                   | 90,000   | -                 | 90,000            |
| <b>METERS</b>                                   |   |  |                   |                   |
| 20  | LARGE METER/UME CHANGEOUT PROGRAM   | 125,000  | 4,950             | 120,050           |
| 21  | NEW METER INSTALL & RADIO READ EXCHANGE PROGRAM                                 | 850,000  | 309,917           | 540,083           |
| <b>STORAGE</b>                                  |   |  |                   |                   |
| 22  | SOUTH BOOSTER STORAGE TANK (PENNVEST) (funded by Operating Cash pre-close)      | 525,000  | -                 | 525,000           |
| 23  | SIGSEE RESERVOIR VALVE VAULT RECONSTRUCTION (Design)                            | 60,000   | -                 | 60,000            |
| <b>DISTRIBUTION</b>                             |   |  |                   |                   |
| 24  | VALVE REPLACEMENT PROGRAM   | 775,000  | 77,149            | 697,851           |
| 25  | HYDRANT REPLACEMENT PROGRAM   | 350,000  | 22,619            | 327,381           |
| 26  | SERVICE REPLACEMENT PROGRAM (BOND)  | 400,000  | 3,177             | 396,823           |
| 27  | AIR RELIEF VALVE REPLACEMENT PROGRAM (BOND)                                     | 15,000   | -                 | 15,000            |
| 28  | WATER QUALITY DEVICE PROGRAM (BOND)   | 25,000   | 3,075             | 21,925            |
| 29  | GOOD-OF-SERVICE PROJECTS (BOND)   | 140,000  | -                 | 140,000           |
| <b>GENERAL PLANT</b>                            |   |  |                   |                   |
| 30  | WATER SYSTEM CONSOLIDATION PLAN   | 15,000   | -                 | 15,000            |
| 31  | CONTINUITY OF SERVICE STUDY   | 20,000   | -                 | 20,000            |
| 32  | GENERAL FACILITY ENHANCEMENTS (BOND)  | 100,000  | -                 | 100,000           |
| 33  | 12TH STREET FACILITY BUILDING IMPROVEMENTS DESIGN                               | 150,000  | -                 | 150,000           |
| 34  | VEHICLE / MATERIALS STORAGE AREA & GARAGE                                       | 150,000  | -                 | 150,000           |
| <b>TOTAL CAPITAL PROJECTS</b>                   |   | <b>49,380,000</b>  | <b>811,678</b>    | <b>48,568,322</b> |
| <b>PAY-AS-YOU-GO (NON-BOND FUNDED) PROJECTS</b> |   |  |                   |                   |
| 35  | FLEET/HEAVY EQUIPMENT   | 350,000  | 65,860            | 284,140           |
| 36  | OFFICE AUTOMATION/EQUIPMENT   | 225,000  | 10,648            | 214,352           |
| 37  | FENCE/LANDSCAPE IMPROVEMENTS  | 40,000   | -                 | 40,000            |
| 38  | OPERATIONAL SAFETY & TRAINING   | 10,000   | -                 | 10,000            |
| 39  | WEB-SITE DEVELOPMENT  | 10,000   | -                 | 10,000            |
| 40  | CORROSION PROTECTION PROGRAM  | 10,000   | -                 | 10,000            |
| 41  | WATER STORAGE TANK ASSET MAINTENANCE PROGRAM                                    | 360,000  | -                 | 360,000           |
| 42  | ENTERPRISE ASSET MGMT/RESOURCE PLANNING SOFTWARE                                | 275,000  | 3,304             | 271,696           |
| 43  | EMERGENCY PREPAREDNESS TRAINING & TABLETOP                                      | 25,000   | -                 | 25,000            |
| 44  | COMMUNITY OUTREACH  | 40,000   | -                 | 40,000            |
| 45  | WTP STARTUP PROVISIONS  | 90,000   | 15,988            | 74,012            |
| 46  | RSW WTP LOW DUTY PS WET WELL CLEANING & PIPING REPAIRS                          | 20,000   | -                 | 20,000            |
| 47  | WATER LOSS AUDIT & CONTROL PLAN   | 10,000   | -                 | 10,000            |
| 48  | ELEVATOR ENHANCEMENTS   | 60,000   | -                 | 60,000            |
| 49  | CUSTOMER SATISFACTION SURVEY  | 30,000   | -                 | 30,000            |
| 50  | PROPERTY VALUATION SERVICES   | 30,000   | -                 | 30,000            |
| <b>TOTAL PAY-AS-GO PROJECTS</b>                 |   | <b>1,585,000</b>   | <b>95,799</b>     | <b>1,489,201</b>  |
| <b>GRAND TOTALS</b>                             |   | <b>50,965,000</b>  | <b>907,478</b>    | <b>50,057,522</b> |
|   |   |  |                   |                   |
|   |   | CURRENT OPERATING FUNDS AVAILABLE                                  | 11,584,629        |                   |
|   |   | 2023 CONSTRUCTION FUNDS - BOND ISSUANCE                            | 5,729,116         |                   |
|   |   | PENNVEST / DCED FUNDED PROJECT BUDGETS                             | <u>41,550,000</u> |                   |
|   |   | <b>TOTAL FUNDS AVAILABLE</b>                                       | <b>58,863,744</b> |                   |
|   |   |  |                   |                   |
|   |   | MINIMUM OPERATING CASH FLOW GOAL OF \$5M                           | (5,069,849)       |                   |
|   |   | PENNVEST / DCED BUDGET BALANCE                                     | (41,159,210)      |                   |
|   |   | CAPITAL & PAYGO PROJECT BUDGET BALANCE (BONDS/CASH)                | (8,898,313)       |                   |
|   |   | 2025 ANTICIPATED DEFERENCE OF CAPITAL PROJECT OUTLAY (BONDS/CASH)  | <u>-</u>          |                   |
|   |   | <b>CURRENT FUNDING RELATIVE TO FUTURE EXPENDITURES FOR 2025FY*</b> | <b>3,736,374</b>  |                   |
| <b>EEW BENCHMARKS OF FUNDING POSITION</b>       |   |  |                   |                   |
|   |   | CURRENT FUNDING RELATIVE TO FUTURE EXPENDITURES JANUARY 2024       | (3,940,554)       |                   |
|   |   | CURRENT FUNDING RELATIVE TO FUTURE EXPENDITURES JANUARY 2023       | 4,328,941         |                   |

\*This represents a snapshot in time of which does not anticipate future cash flow



**ERIE WATER WORKS**  
**AUDITING AND ACCOUNTING SERVICES CONTRACT**  
**RESOLUTION #022025-01**

RESOLVED, by the Board of the Erie Water Works that the Chief Executive Officer is authorized to enter into a contract with Heberlein & Falk, P.C. of Erie, PA (formerly Felix & Gloekler) to perform auditing and accounting services for the Erie Water Works in the amount of \$23,700 per year for the audit years 2024 - 2028.

**EXPLANATION**

Erie Water Works contract with Felix & Gloekler for auditing services has expired. Staff did a request for proposals and based on the information received recommends Herberlein & Falk, P.C. for the services outlined on the attached proposal. 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:

R. Bergquist \_\_\_\_ D. Palotas \_\_\_\_ C. Rush Dix \_\_\_\_ H. Harrington \_\_\_\_ S. Hilliard \_\_\_\_

L. Jones \_\_\_\_ S. Trott \_\_\_\_ R. Wagner \_\_\_\_ J. Willis \_\_\_\_



## ERIE WATER WORKS MEMORANDUM

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**DATE:** February 18, 2025  
**TO:** Craig H. Palmer, Chief Executive Officer  
**FROM:** Jennifer Valerio, Director of Finance  
**RE:** Recommendation Auditing Services

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Erie Water Works' 5-year agreement with Felix and Gloekler expired at the close of the 2023 Audit Year.

Erie Water Works sent three Request for Proposals for Auditing and Accounting Services. The firms selected were:

1. Heberlein and Falk (formerly Felix and Gloekler)
2. HBK CPAs and Consultants
3. McGill, Power, Bell and Associates

We received Proposals from Heberlein and Falk as well as HBK CPAs and Consultants.

McGill, Power, Bell and Associates indicated their upcoming audit calendar is full and could not take us on as clients. Two other local firms were contacted and were not interested in quoting at this time.

Considering the cost variance, prior experience with our audits, timing of audit completions, and quality of service to the staff of Erie Water Works, it is my recommendation to sign a 5-year agreement with Heberlein and Falk. This agreement would handle our Financial and Pension Audits for fiscal years 2024 to 2028.

PROPOSAL TO PROVIDE  
AUDITING AND ACCOUNTING SERVICES TO  
ERIE CITY WATER AUTHORITY



**Heberlein & Falk, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Dr., Erie, PA 16506  
P: 814.838.6095 • F: 814.838.6218  
[www.hferiecpa.com](http://www.hferiecpa.com)

Natalie Heberlein, CPA, CFE  
Stephen J. Falk III, CPA

July 29, 2024

Erie City Water Authority  
Craig H. Palmer, P.E., CEO  
340 West Bayfront Parkway  
Erie, PA 16507

Dear Mr. Palmer:

We appreciate the opportunity to submit a proposal for audit and accounting services to Erie City Water Authority for the fiscal years ending December 31, 2024, 2025, 2026, 2027, and 2028.

Our proposal is being submitted in response to your previous correspondence and we are committed to providing the services requested within the required time period. See the enclosed technical proposal for additional information.

Heberlein & Falk, P.C. currently audits over thirty non-profit organizations and thirty governmental entities, including several Authorities. If chosen as your auditor, Heberlein & Falk, P.C. offers the following advantages to your organization:

- Staff assigned to the engagement have over fifty-five years combined experience in the governmental and non-profit accounting and auditing, single audit and compliance areas.
- Heberlein & Falk, P.C. is familiar with similar operations and systems, which will enable us to identify potential areas of risk as it relates to your accounting system and financial statements.
- The firm has worked with over thirty governmental and non-profit entities in Erie and surrounding counties. This experience provides us with a unique perspective to the issues related to non-profit and government finances.

Erie City Water Authority  
July 29, 2024

If you have any questions concerning our proposal, please contact Stephen J. Falk III, CPA or Natalie Heberlein, CPA, CFE.

We look forward to continuing our relationship with you and the Board of Directors for the next several years.

Sincerely,

*Heberlein and Falk, P.C.*

Heberlein and Falk, P.C.

## **Firm Capabilities**

### **Firm Background**

Heberlein & Falk, P.C. consists of two principals, and ten professional and support staff. Heberlein & Falk, P.C. is located at 2306 Peninsula Drive, Erie, PA 16506, (814) 838-6095. Natalie Heberlein joined the firm in 1991 and became a principal in 2009. Stephen J. Falk III joined the firm in 2005 and became a principal in 2020.

All of our professional staff members are college graduates or students with a concentration in accounting. All members are expected to seek CPA status (if they have not done so already). All members obtain experience in all areas of our practice.

The firm and its principals are currently licensed to practice public accounting by the Commonwealth of Pennsylvania.

### **Range of Services**

1. **Audit Services.** The firm currently provides accounting and auditing services to over thirty governmental entities and to over thirty not-for-profit organizations of all types. Not all CPA firms specialize in the accounting and auditing standards which govern these organizations. We do!

Our audit process focuses on the significant areas of the organization for that specific year. We perform risk assessments to determine the risk areas, and tailor our audit procedures to those areas. This approach provides our clients with a new audit each year, even for the clients we have had for several years.

Our professional employees are required and have completed at least 80 Continuing Professional Education (CPE) hours in the last two years in accounting and auditing, including the requirements for audits of organizations receiving federal financial assistance. Furthermore, our professional employees received specialized continuing education specific to the government and not-for-profit area.

2. **Tax Services.** The professional staff attends 24 hours of Continuing Education in the area of federal, state and local tax compliance and preparation on an annual basis. The professional staff assigned to your engagement will be well versed in any tax compliance issues that may impact the audit engagement.

With the firm's tax software we are able to prepare any tax returns required by federal, state and local governments.

3. **Computerized Bookkeeping.** Our firm provides this service for select clients. This service, along with our annual tax planning review, has proven to be an invaluable management tool for our clients.

A brief biography of each individual is as follows.

Stephen J. Falk III, CPA

Stephen earned his Bachelor's Degree in accounting from Penn State University, the Behrend College, in May 2007. Stephen joined the firm in 2005 as an intern prior to becoming full-time upon graduation. He became a Certified Public Accountant in 2011. Stephen became a principal in the firm in January 2020.

Stephen's professional concentration is governmental and not-for-profit auditing, audits of employee benefit plans, individual and corporate tax preparation, and other small business services. Stephen participates in over thirty of the Firm's governmental and not-for-profit audits on an annual basis.

Stephen is required to and has completed forty hours of continuing education in the area of accounting and auditing on an annual basis, with twenty-four hours specifically related to governmental accounting and auditing.

Stephen is a member of the American Institute of Certified Public Accountants and Pennsylvania Institute of Certified Public Accountants and is the firm's Governmental Audit Quality Center partner.

Natalie Heberlein, CPA, CFE (Quality Control Partner/Employee Benefit Plan Audit Partner)

Natalie earned her Bachelor's Degree in accounting from West Virginia University in 1990. She was hired as a staff accountant in 1991. Natalie became a Certified Public Accountant in May 2000 and Certified Fraud Examiner in December 2009. Natalie has been a principal in the firm of Heberlein & Falk, P.C. since January 2009.

Natalie's professional concentration is governmental and non-profit auditing, audits of employee benefit plans, tax planning, and small business services. Natalie participates in over thirty governmental and non-profit audits on an annual basis. Natalie is the Firm's quality control partner. Her duties include the annual quality control inspection of the Firm's audit and accounting files and oversight of accounting and audit updates. In addition, Natalie is also a QuickBooks pro advisor.

Natalie is required to and has completed, a minimum, forty hours of continuing education in the area of accounting and auditing on an annual basis.

Natalie is a member of the American Institute of Certified Public Accountants, Pennsylvania Institute of Certified Public Accountants, Employee Benefit Plan Audit Quality Center, and Association of Certified Fraud Examiners.

## **Approach**

The firm maintains at least two CPAs on all jobs. The engagement partner and quality control reviewer must be CPAs. Audit staffing is kept to minimal turnover if possible, to provide you with a smooth audit process.

Our audit plan is typically as follows:

- Obtain an understanding of the Organization including the controls over the Organization's significant transaction classes.
- Testing of the significant controls and developing our audit approach based on the results of our testing. This process also includes various procedures to assess the risk of material misstatement of the Organization's financial statements due to error or fraud.
- Year-end substantive testing and fieldwork including analytical and detail testing.
- Drafting of the financial statements, letters and information returns, to be approved by management prior to finalizing.
- Presentation of the financial statements to the Board and Finance Committee including executive summary of audit report and financial analysis and red line copy of audited financial statement.



## **Value Added Services**

With the selection of Heberlein & Falk, P.C. as your auditor, you will be assigned two CPA's as your main contact with the firm. This will ensure timely response to any questions or issues during the year. Our firm does not issue a separate bill for this service unless it involves a significant time commitment on our part. If a separate fee is charged, we will notify you in advance the charge for additional services.

### **Schedule of Fees (5 year proposal)**

|  |                     |
|--|---------------------|
| Audit of the Erie City Water Authority<br>for the year ended December 31, 2024 – 2028)<br>(Including maintaining annual spreadsheets for bond<br>and lease activity and review of new bond indentures) | \$15,950/year       |
| Audit of the Erie City Water Authority Retirement Plan<br>for the year ended December 31, 2024 - 2028  | \$6,000/year        |
| Preparation of annual bond issue arbitrage calculation   | \$1,000/calculation |
| Preparation of annual DCED Activity report   | \$750/year          |
| Assistance for any questions/issues during the year  | No charge           |

### **Schedule of Fees (3 year proposal)**

|  |                     |
|--|---------------------|
| Audit of the Erie City Water Authority<br>for the year ended December 31, 2024 – 2026)<br>(Including maintaining annual spreadsheets for bond<br>and lease activity and review of new bond indentures) | \$16,550/year       |
| Audit of the Erie City Water Authority Retirement Plan<br>for the year ended December 31, 2024 - 2026  | \$6,500/year        |
| Preparation of annual bond issue arbitrage calculation   | \$1,000/calculation |
| Preparation of annual DCED Activity report   | \$750/year          |
| Assistance for any questions/issues during the year  | No charge           |

**ERIE WATER WORKS**  
**SIGNATURE AUTHORIZATION**  
**RESOLUTION #022025-02**

RESOLVED, the Board of the Erie Water Works hereby approves the attached resolution confirming the signature card on file with Northwest Bank.

**EXPLANATION**

Northwest Bank requires an updated signature card for their file. 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:

R. Bergquist \_\_ D. Palotas \_\_ C. Rush Dix \_\_ H. Harrington \_\_ S. Hilliard \_\_

L. Jones \_\_ S. Trott \_\_ R. Wagner \_\_ J. Willis \_\_

**EXCERPTS FROM THE MINUTES OF THE  
ERIE CITY WATER AUTHORITY  
BOARD OF DIRECTORS MEETING HELD ON  
THE 20th DAY OF February, 2025**

At a meeting of the Board of Directors of Erie City Water Authority (the "Employer"), held on the 20th day of February, 2025, the following resolutions were unanimously adopted:

**WHEREAS**, the Employer maintains the Erie Water Management Employees MPPP, #93-0022-01-7 and Erie Water Works Retirement Plan, #91-0018-01-9 (the "Plan"); and

**WHEREAS**, Northwest Bank ("Northwest") serves as Discretionary Trustee for the Plans; and

**WHEREAS**, Northwest needs to know which individuals of the Employer are authorized to provide Northwest instructions regarding the administration of the Plans;

**NOW THEREFORE**, the following actions are hereby authorized and approved:

**RESOLVED**, that the following individuals have complete authorization to provide Northwest instructions regarding the administration of the Plan;

| NAME              | TITLE                                       | SIGNATURE |
|-------------------|---|-----------|
| Craig H. Palmer   | CEO   |           |
| Jennifer Valerio  | Director of Finance / Pension Administrator |           |
| Ronald Costantini | Sr. Manager, Administration                 |           |

I hereby further certify that any 1 signature(s) from the above listed persons are required to provide instructions to Northwest; and

**RESOLVED FURTHER**, that the following individuals have limited authorization to provide Northwest instructions regarding benefit payment and routine administration matters of the Plan;

| NAME | TITLE | SIGNATURE |
|------|-------|-----------|
|      |       |           |
|      |       |           |
|      |       |           |

**CERTIFICATE OF SECRETARY**

I, \_\_\_\_\_, Secretary of the Employer, do hereby certify that at a regular stated meeting held on \_\_\_\_\_, \_\_\_\_\_, at which a quorum was present and acting throughout, the preceding resolutions were unanimously adopted and have been duly recorded in the minute book of the organization.

**IN WITNESS WHEREOF**, I hereunto set my hand and affix the seal of this organization on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Secretary

# **ERIE WATER WORKS**

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

### **RESOLUTION #022025-03**

RESOLVED, that the Board of the Erie Water Works ratifies the staff decision to make payment of invoices during the month of January 2025.

### **EXPLANATION**

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

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

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

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

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

R. Bergquist \_\_\_\_ D. Palotas \_\_\_\_ C. Rush Dix \_\_\_\_ H. Harrington \_\_\_\_ S. Hilliard \_\_\_\_

L. Jones \_\_\_\_ S. Trott \_\_\_\_ R. Wagner \_\_\_\_ J. Willis \_\_\_\_

ERIE WATER WORKS  
CAPITAL PROJECTS REPORT  
January-2025

|                              | PROJECT  | A<br>2025<br>BUDGET<br>FUNDING | B<br>CURRENT<br>MONTH'S<br>EXPENDS | C<br>2025<br>YR-TO-DATE<br>EXPENDS | A - C<br>2025<br>BUDGET<br>BALANCE | C / A<br>2025<br>BUDGET<br>EXPENDED |
|------------------------------|--|--------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| TREATMENT:                   |  |                                |                                    |                                    |                                    |                                     |
|                              | RICHARD S. WASIELEWSKI (RSW) WTP PHASE 3 IMPROVEMENTS (PENNVEST PRO-FI 1)            | 320,000                        | -                                  | -                                  | 320,000                            | 0%                                  |
|                              | CORROSION CONTROL OPTIMIZATION   | 35,000                         | -                                  | -                                  | 35,000                             | 0%                                  |
| 1                            | RSW WTP - SEDIMENTATION BASIN IMPROVEMENTS (BOND)                                    | 2,860,000                      | -                                  | -                                  | 2,860,000                          | 0%                                  |
|                              | CHESTNUT WTP - PRELIMINARY PLANNING & DESIGN (BOND)                                  | 200,000                        | -                                  | -                                  | 200,000                            | 0%                                  |
|                              | SUBTOTAL TREATMENT   | 3,415,000                      | -                                  | -                                  | 3,415,000                          | 0%                                  |
| PUMPING:                     |  |                                |                                    |                                    |                                    |                                     |
| 2                            | ASBURY TANKS PS REPLACEMENT (PENNVEST PRO-FI 2)                                      | 4,000,000                      | -                                  | -                                  | 4,000,000                          | 0%                                  |
|                              | SIGSBEE PUMP STATION UPGRADE   | 160,000                        | -                                  | -                                  | 160,000                            | 0%                                  |
|                              | SUBTOTAL PUMPING   | 4,160,000                      | -                                  | -                                  | 4,160,000                          | 0%                                  |
| TRANSMISSION & DISTRIBUTION: |  |                                |                                    |                                    |                                    |                                     |
|                              | KUNTZ RD WM EXTENSION, SOUTH BSTR PD FEED TO PEACH PD (Design)                       | 25,000                         | -                                  | -                                  | 25,000                             | 0%                                  |
|                              | BAYFRONT PARKWAY WATER MAIN RELOCATION (PENNDOT)                                     | 35,000                         | -                                  | -                                  | 35,000                             | 0%                                  |
| 3                            | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 2 (PENNVEST GRANT)                      | 8,400,000                      | 10,047                             | 10,047                             | 8,389,953                          | 0%                                  |
|                              | DEPOT ROAD WATER MAIN RELOCATION (PENNDOT)   | 15,000                         | -                                  | -                                  | 15,000                             | 0%                                  |
| 4                            | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 3 (PENNVEST GRANT/LOAN)                 | 4,800,000                      | -                                  | -                                  | 4,800,000                          | 0%                                  |
| 5                            | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 4 (PENNVEST GRANT/LOAN)                 | 16,200,000                     | 380,648                            | 380,648                            | 15,819,352                         | 2%                                  |
|                              | SERVICE CONNECTION REPLACEMENT PROJECT PHASE 5 (PENNVEST GRANT/LOAN; WB/LP)          | 705,000                        | 95                                 | 95                                 | 704,905                            | 0%                                  |
|                              | SYSTEM CONTROL VALVE SCADA   | 55,000                         | -                                  | -                                  | 55,000                             | 0%                                  |
|                              | CIDER MILL WATER MAIN RELOCATION MILLCREEK BRIDGE                                    | 80,000                         | -                                  | -                                  | 80,000                             | 0%                                  |
|                              | SERVICE CONNECTION REPLACEMENT PROJECT - CUSTOMER SIDE PHASE 1 (PENNVEST GRANT/LOAN) | 6,500,000                      | -                                  | -                                  | 6,500,000                          | 0%                                  |
|                              | WOODLAWN, CAMPHAUSEN, FAIRMOUNT & HARRISON WM REPLACEMENT (PENNVEST PRO-FI 2)        | 100,000                        | -                                  | -                                  | 100,000                            | 0%                                  |
| 6                            | STATE STREET WATER MAIN REPLACEMENT (5TH TO 2ND) (BOND)                              | 1,100,000                      | -                                  | -                                  | 1,100,000                          | 0%                                  |
|                              | ASBURY TANK BOOSTER & CAUGHEY PRESSURE DISTRICT CONSOLIDATION                        | 90,000                         | -                                  | -                                  | 90,000                             | 0%                                  |
|                              | SUBTOTAL TRANSMISSION & DISTRIBUTION   | 38,105,000                     | 390,790                            | 390,790                            | 37,714,210                         | 1%                                  |
| METERS                       |  |                                |                                    |                                    |                                    |                                     |
|                              | LARGE METER/UME CHANGEOUT PROGRAM  | 125,000                        | 4,950                              | 4,950                              | 120,050                            | 4%                                  |
|                              | NEW METER INSTALL & RADIO READ EXCHANGE PROGRAM                                      | 850,000                        | 309,917                            | 309,917                            | 540,083                            | 36%                                 |
|                              | SUBTOTAL METERS  | 975,000                        | 314,867                            | 314,867                            | 660,133                            | 32%                                 |
| STORAGE                      |  |                                |                                    |                                    |                                    |                                     |
|                              | SOUTH BOOSTER STORAGE TANK (PENNVEST) (funded by Operating Cash pre-close)           | 525,000                        | -                                  | -                                  | 525,000                            | 0%                                  |
|                              | SIGSEE RESERVOIR VALVE VAULT RECONSTRUCTION (Design)                                 | 60,000                         | -                                  | -                                  | 60,000                             | 0%                                  |
|                              | SUBTOTAL STORAGE   | 585,000                        | -                                  | -                                  | 585,000                            | 0%                                  |
| DISTRIBUTION                 |  |                                |                                    |                                    |                                    |                                     |
|                              | VALVE REPLACEMENT PROGRAM  | 775,000                        | 77,149                             | 77,149                             | 697,851                            | 10%                                 |
|                              | HYDRANT REPLACEMENT PROGRAM  | 350,000                        | 22,619                             | 22,619                             | 327,381                            | 6%                                  |
|                              | SERVICE REPLACEMENT PROGRAM (BOND)   | 400,000                        | 3,177                              | 3,177                              | 396,823                            | 1%                                  |
|                              | AIR RELIEF VALVE REPLACEMENT PROGRAM (BOND)  | 15,000                         | -                                  | -                                  | 15,000                             | 0%                                  |
|                              | WATER QUALITY DEVICE PROGRAM (BOND)  | 25,000                         | 3,075                              | 3,075                              | 21,925                             | 12%                                 |
|                              | GOOD-OF-SERVICE PROJECTS (BOND)  | 140,000                        | -                                  | -                                  | 140,000                            | 0%                                  |
|                              | SUBTOTAL DISTRIBUTION  | 1,705,000                      | 106,020                            | 106,021                            | 1,598,979                          | 6%                                  |
|                              |  |                                |                                    |                                    |                                    |                                     |

ERIE WATER WORKS  
CAPITAL PROJECTS REPORT  
January-2025

| PROJECT   | A<br>2025<br>BUDGET<br>FUNDING | B<br>CURRENT<br>MONTH'S<br>EXPENDS | C<br>2025<br>YR-TO-DATE<br>EXPENDS | A - C<br>2025<br>BUDGET<br>BALANCE | C / A<br>2025<br>BUDGET<br>EXPENDED |
|---|--------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| <b>GENERAL PLANT</b>  |                                |                                    |                                    |                                    |                                     |
| WATER SYSTEM CONSOLIDATION PLAN                                     | 15,000                         | -                                  | -                                  | 15,000                             | 0%                                  |
| CONTINUITY OF SERVICE STUDY   | 20,000                         | -                                  | -                                  | 20,000                             | 0%                                  |
| GENERAL FACILITY ENHANCEMENTS (BOND)                                | 100,000                        | -                                  | -                                  | 100,000                            | 0%                                  |
| 12TH STREET FACILITY BUILDING IMPROVEMENTS DESIGN                   | 150,000                        | -                                  | -                                  | 150,000                            | 0%                                  |
| VEHICLE / MATERIALS STORAGE AREA & GARAGE                           | 150,000                        | -                                  | -                                  | 150,000                            | 0%                                  |
| SUBTOTAL GENERAL PLANT  | 435,000                        | -                                  | -                                  | 435,000                            | 0%                                  |
| TOTAL PENNVEST, BOND FUNDED, & CASH RESERVE PROJECTS                | 49,380,000                     | 811,677                            | 811,678                            | 48,568,322                         | 2%                                  |
| <b>PAY-AS-YOU-GO (NON-BOND FUNDED) PROJECTS</b>                     |                                |                                    |                                    |                                    |                                     |
| FLEET/HEAVY EQUIPMENT   | 350,000                        | 65,860                             | 65,860                             | 284,140                            | 19%                                 |
| OFFICE AUTOMATION/EQUIPMENT   | 225,000                        | 10,648                             | 10,648                             | 214,352                            | 5%                                  |
| FENCE/LANDSCAPE IMPROVEMENTS  | 40,000                         | -                                  | -                                  | 40,000                             | 0%                                  |
| OPERATIONAL SAFETY & TRAINING                                       | 10,000                         | -                                  | -                                  | 10,000                             | 0%                                  |
| WEB-SITE DEVELOPMENT  | 10,000                         | -                                  | -                                  | 10,000                             | 0%                                  |
| CORROSION PROTECTION PROGRAM  | 10,000                         | -                                  | -                                  | 10,000                             | 0%                                  |
| WATER STORAGE TANK ASSET MAINTENANCE PROGRAM                        | 360,000                        | -                                  | -                                  | 360,000                            | 0%                                  |
| ENTERPRISE ASSET MGMT/RESOURCE PLANNING SOFTWARE                    | 275,000                        | 3,304                              | 3,304                              | 271,696                            | 1%                                  |
| EMERGENCY PREPAREDNESS TRAINING & TABLETOP                          | 25,000                         | -                                  | -                                  | 25,000                             | 0%                                  |
| COMMUNITY OUTREACH  | 40,000                         | -                                  | -                                  | 40,000                             | 0%                                  |
| WTP STARTUP PROVISIONS  | 90,000                         | 15,988                             | 15,988                             | 74,012                             | 18%                                 |
| RSW WTP LOW DUTY PS WET WELL CLEANING & PIPING REPAIRS              | 20,000                         | -                                  | -                                  | 20,000                             | 0%                                  |
| WATER LOSS AUDIT & CONTROL PLAN                                     | 10,000                         | -                                  | -                                  | 10,000                             | 0%                                  |
| ELEVATOR ENHANCEMENTS   | 60,000                         | -                                  | -                                  | 60,000                             | 0%                                  |
| CUSTOMER SATISFACTION SURVEY  | 30,000                         | -                                  | -                                  | 30,000                             | 0%                                  |
| PROPERTY VALUATION SERVICES   | 30,000                         | -                                  | -                                  | 30,000                             | 0%                                  |
| TOTAL PAY-AS-YOU-GO (NON-DEBT FUNDED) PROJECTS                      | 1,585,000                      | 95,800                             | 95,799                             | 1,489,201                          | 6%                                  |
| PENNVEST FUNDED PROJECTS  | 41,550,000                     | 390,790                            | 390,790                            | 41,159,210                         | 1%                                  |
| BOND FUNDED PROJECTS  | 4,840,000                      | 6,252                              | 6,252                              | 4,833,748                          | 0%                                  |
| CASH RESERVE FUNDED PROJECTS  | 2,990,000                      | 414,635                            | 414,636                            | 2,575,364                          | 14%                                 |
| PAY-AS-YOU-GO PROJECTS  | 1,585,000                      | 95,800                             | 95,799                             | 1,489,201                          | 6%                                  |
| GRAND TOTAL (PENNVEST, BOND FUNDED, CASH RESERVE, & PAYGO PROJECTS) | 50,965,000                     | 907,477                            | 907,478                            | 50,057,522                         | 2%                                  |
|   |                                |                                    |                                    |                                    |                                     |

**CAPITAL IMPROVEMENT PROJECTS COMMITTEE**  
**JANUARY 2025 PROJECT STATUS REPORT**  
**PRESENTED FEBRUARY 18, 2025**

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 is in the process of manufacturing the new collector equipment, and is preparing to ship materials. Work is scheduled for the spring 2025 shut down at RSW WTP.

|                                |                  |                                |                   |
|--------------------------------|------------------|--------------------------------|-------------------|
| <b>2025 Budget Funding:</b>    | <b>2,860,000</b> | <b>Contracts Awarded:</b>      | <b>March 2024</b> |
| <b>Current Month's Expend:</b> | <b>0</b>         | <b>Contracted Completion:</b>  | <b>June 2025</b>  |
| <b>Y-T-D Expenditures:</b>     | <b>0</b>         | <b>Work Percent Complete:</b>  | <b>0%</b>         |
| <b>Budget Balance:</b>         | <b>2,860,000</b> | <b>% of 2025 Budget Spent:</b> | <b>0%</b>         |

2. **ASBURY TANKS PUMP STATION REPLACEMENT (PENNVEST)**: 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. In October 2023 PENNVEST awarded EWW a low-interest \$20M Pro-Fi featuring this project. The General Contract was awarded to E.E. Austin in the amount of \$3,588,000, and the Electrical Contract was awarded to Blackhawk Neff in the amount of \$1,222,400. The PENNVEST closing occurred and construction began in May 2024.

- The pump station foundations, building and roof are complete. Installation of underground site piping and internal electric is ongoing. Work on internal piping has begun.

|                                |                  |                                |                     |
|--------------------------------|------------------|--------------------------------|---------------------|
| <b>2025 Budget Funding:</b>    | <b>4,000,000</b> | <b>Contracts Awarded:</b>      | <b>March 2024</b>   |
| <b>Current Month's Expend:</b> | <b>0</b>         | <b>Contracted Completion:</b>  | <b>October 2025</b> |
| <b>Y-T-D Expenditures:</b>     | <b>0</b>         | <b>Work Percent Complete:</b>  | <b>55%</b>          |
| <b>Budget Balance:</b>         | <b>4,000,000</b> | <b>% of 2025 Budget Spent:</b> | <b>0%</b>           |

3. **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 January 2025 Konzel has completed 1,808 private service line investigations (in-house), 1,840 underground service line investigations, 931 service line abandonments, 1,026 EWW side replacements, and 866 customer side replacements.

|                                |                  |                                |                      |
|--------------------------------|------------------|--------------------------------|----------------------|
| <b>2025 Budget Funding:</b>    | <b>8,400,000</b> | <b>Contracts Awarded:</b>      | <b>February 2022</b> |
| <b>Current Month's Expend:</b> | <b>10,047</b>    | <b>Contracted Completion:</b>  | <b>March 2026</b>    |
| <b>Y-T-D Expenditures:</b>     | <b>10,047</b>    | <b>Work Percent Complete:</b>  | <b>56%</b>           |
| <b>Budget Balance:</b>         | <b>8,389,953</b> | <b>% of 2025 Budget Spent:</b> | <b>0%</b>            |

4. **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 January 2025 Konzel has completed 411 private service line investigations (in-house), 595 underground service line investigations, 2 service line abandonments, 11 EWW side replacements, and 7 customer side replacements.

|                                 |                  |                                |                      |
|---------------------------------|------------------|--------------------------------|----------------------|
| <b>2025 Budget Funding:</b>     | <b>4,800,000</b> | <b>Contracts Awarded:</b>      | <b>October 2023</b>  |
| <b>Current Month's Expends:</b> | <b>0</b>         | <b>Contracted Completion:</b>  | <b>December 2026</b> |
| <b>Y-T-D Expenditures:</b>      | <b>0</b>         | <b>Work Percent Complete:</b>  | <b>21%</b>           |
| <b>Budget Balance:</b>          | <b>4,800,000</b> | <b>% of 2025 Budget Spent:</b> | <b>0%</b>            |

5. **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 January 2025 Chivers has completed 1,238 private service line investigations (in-house), 1,082 underground service line investigations, 33 EWW side replacements, and 25 customer side replacements.

|                                 |                   |                                |                   |
|---------------------------------|-------------------|--------------------------------|-------------------|
| <b>2025 Budget Funding:</b>     | <b>16,200,000</b> | <b>Contracts Awarded:</b>      | <b>March 2024</b> |
| <b>Current Month's Expends:</b> | <b>380,648</b>    | <b>Contracted Completion:</b>  | <b>May 2027</b>   |
| <b>Y-T-D Expenditures:</b>      | <b>380,648</b>    | <b>Work Percent Complete:</b>  | <b>10%</b>        |
| <b>Budget Balance:</b>          | <b>15,819,352</b> | <b>% of 2025 Budget Spent:</b> | <b>2%</b>         |

6. **STATE STREET WATER MAIN REPLACEMENT PROJECT – 5<sup>TH</sup> TO 2<sup>ND</sup> (BOND)**: The project will replace approximately 2,400 feet of 1800s vintage parallel 6-inch and 12-inch diameter cast iron water mains along State Street between 5<sup>th</sup> Street and 2<sup>nd</sup> Street in the City of Erie with one new 12-inch diameter ductile iron main, 1,200 feet in length. The existing water mains have failed numerous times in recent years causing water service interruptions, major traffic disruptions, and expensive pavement restoration. Furthermore, there are substantive investments occurring downtown, including the City's Streetscape Project, making this an opportune time to replace the parallel water mains.

- The bid opening was held on February 12, 2025. The apparent low bidder is Chivers Construction of Fairview, PA with a total bid of \$723,999. Bids have been reviewed and a formal bid report and recommendation will be presented to the CIP Committee.

|                                 |                  |                                |            |
|---------------------------------|------------------|--------------------------------|------------|
| <b>2025 Budget Funding:</b>     | <b>1,100,000</b> | <b>Contracts Awarded:</b>      | <b>TBD</b> |
| <b>Current Month's Expends:</b> | <b>0</b>         | <b>Contracted Completion:</b>  | <b>TBD</b> |
| <b>Y-T-D Expenditures:</b>      | <b>0</b>         | <b>Work Percent Complete:</b>  | <b>0%</b>  |
| <b>Budget Balance:</b>          | <b>1,100,000</b> | <b>% of 2025 Budget Spent:</b> | <b>0%</b>  |



**ERIE WATER WORKS**  
**CAPITAL IMPROVEMENT PROJECTS COMMITTEE MEETING SUMMARY**  
**February 18, 2025**  
**Jeffrey D. Willis II, P.E., CIP Committee Chairman**

**ATTENDEES**

*EWW Board:* Jeffrey D. Willis II, Richard E. Wagner, Cheryl Rush Dix, Seth M. Trott, Esq.

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

**BIDS, COSTARS QUOTES, PROFESSIONAL SERVICE PROPOSALS & AGREEMENTS** – Construction bids were received for the bond funded State Street Water Main Replacement Project (5<sup>th</sup> to 2<sup>nd</sup>), and KLH Engineers provided a proposal for construction phase services on the same. A resolution will be presented for consideration by the EWW Board.

**JANUARY FINANCIALS** – In January, EWW spent \$811,677 on capital projects, while PAYGO equaled \$95,800. Total system investment for January and for the year thus far was \$907,477.

**PROJECT SPOTLIGHT PRESENTATION** - The Cook & Knoll Water Main Replacement Project Spotlight was presented and discussed.

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

1. **RSW WTP Sedimentation Basin Improvements** – Materials are being prepared for shipment, and work is scheduled for the spring 2025 shut down at RSW WTP.
2. **Asbury Tanks Pump Station Replacement** – The pump station foundation, building and roof are complete. Installation of underground site piping is ongoing and internal electric is ongoing. Work on internal piping has begun.
3. **Service Connection Replacement Project (Phase 2)** – Through Jan. 2025 Konzel has completed 1,808 internal investigations, 1,840 underground investigations, 931 service line abandonments, 1,026 EWW side replacements, and 866 customer side replacements.
4. **Service Connection Replacement Project (Phase 3)** – Through Jan. 2025 Konzel has completed 411 internal investigations, 595 underground investigations, 2 service line abandonments, 11 EWW side replacements, and 7 customer side replacements.
5. **Service Connection Replacement Project (Phase 4)** – Through Jan. 2025 Chivers has completed 1,238 internal investigations, 1,082 underground investigations, 33 EWW side replacements, and 25 customer side replacements.
6. **State Street Water Main Replacement Project (5<sup>th</sup> to 2<sup>nd</sup>)** – bid opening was held on February 12, 2025. The apparent low bidder is Chivers Construction of Fairview, PA with a total bid of \$723,999. Bids have been reviewed and a formal bid report and recommendation will be presented to the CIP Committee.

## ERIE WATER WORKS

### AWARD OF CONSTRUCTION & PROFESSIONAL SERVICES CONTRACTS

#### STATE STREET WATER MAIN REPLACEMENT PROJECT (5<sup>TH</sup> TO 2<sup>ND</sup>)

#### RESOLUTION #022025-04

RESOLVED, by the Board of the Erie Water Works that the Chief Executive Officer is authorized to enter into a Construction Contract and a Professional Services Agreement related to the State Street Water Main Replacement Project (5<sup>th</sup> to 2<sup>nd</sup>) as further detailed below:

| <u>Company</u>                     | <u>Contract</u>        | <u>Amount (base bid + contingency)</u>     |
|------------------------------------|------------------------|--|
| Chivers Construction Company, Inc. | 2024-07                | \$795,000.00 (\$723,999.00 + \$71,001.00)  |
| KLH Engineers, Inc.                | Consulting Engineering | Inspection (\$12,500/month + \$89/hour OT) |

#### EXPLANATION

This resolution authorizes the award of Contracts to the above referenced companies. The Bond funded State Street Water Main Replacement Project (5<sup>th</sup> to 2<sup>nd</sup>) will replace approximately 2,400 feet of 1800s vintage parallel 6-inch and 12-inch cast iron water mains with one new 12-inch diameter ductile iron water main 1,200 feet in length. This is the recommendation of the CIP Committee.

Motioned:

Seconded:

ATTEST:

ERIE WATER WORKS

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

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

(Seal)

Approved for legal content and form by EWW Solicitor

VOTE DETAIL:

R. Bergquist \_\_\_ C. Rush Dix \_\_\_ H. Harrington \_\_\_ S. Hilliard \_\_\_

L. Jones \_\_\_ D. Palotas \_\_\_ S. Trott \_\_\_ R. Wagner \_\_\_ J. Willis \_\_\_



240 West 12<sup>th</sup> Street  
Erie, PA 16501-1706  
T 814.870.8000  
F 814.870.8011

## ERIE WATER WORKS ENGINEERING SERVICES MEMORANDUM

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**DATE:** February 12, 2025  
**TO:** Craig H. Palmer, Chief Executive Officer  
**FROM:** Chad J. Ellsworth, P.E., P.G., Ph.D. Senior Manager, Engineering Services  
**RE:** Recommendation of Award for Contract 2024-07  
State Street Water Main Replacement Project (WM2503)

---

On February 12, 2025, EWW staff received bids for Contract 2024-07, State Street Water Main Replacement Project (5<sup>th</sup> to 2<sup>nd</sup>).

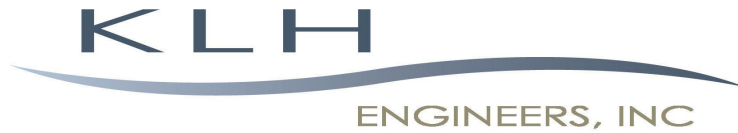
Four (4) utility contractors submitted bids. The bid results are as follows:

| Contractors Name                   | Bid            |
|------------------------------------|----------------|
| Chivers Construction Company, Inc. | \$723,999.00   |
| XL Excavating, Inc.                | \$887,420.29   |
| Konzel Construction Co., Inc.      | \$892,000.00   |
| Pollard Land Services, Inc.        | \$1,071,935.00 |

The project will replace approximately 2,400 feet of 1800s vintage parallel 6-inch and 12-inch cast iron water mains along State Street from 5<sup>th</sup> to 2<sup>nd</sup> Streets in the City of Erie with one new 12-inch diameter ductile iron water main 1,200 feet in length. The existing water mains have been subject to numerous breaks over the years. Additionally, there are substantive investments occurring in this part of downtown, including the City's Streetscape Project, making this an opportune time to replace the parallel water mains.

The low bidder is Chivers Construction Company, Inc., of Fairview, PA. The bid submitted by Chivers Construction was complete and an acceptable bid bond was included. Their bid amount was consistent with the Engineering Department's estimate of probable construction cost (\$745,117). Chivers Construction has performed work on many water works projects recently and has done so acceptably. Ductile iron pipe and hydrants will be supplied by EWW, the remainder of materials are to be procured by the contractor.

I am recommending that the Bid for the State Street Water Main Replacement Project be awarded in the amount of \$795,000.00 (\$723,999.00 total bid plus \$71,001.00 contingency) to Chivers Construction.



January 2, 2025  
Ref. No. 126-02

Mr. Chad Ellsworth, P.E., P.G., Ph.D.  
Erie Water Works  
240 West 12<sup>th</sup> Street  
Erie, PA 16501

Dear Mr. Ellsworth:

**State Street (W 2<sup>nd</sup> Street – W 5<sup>th</sup> Street) Water Main Replacement  
Proposal for Construction Phase Services**

In response to your request, KLH Engineers is pleased to provide you with this Proposal for Construction Phase Services for the above-referenced project. The project will replace approximately 2,400 feet of 1800's vintage parallel 6-inch and 12-inch cast iron water mains with one new approximately 1,200 foot 12-inch ductile iron water main along State Street between W 2<sup>nd</sup> Street and W 5<sup>th</sup> Street. KLH Engineers will provide a full-time Resident Observer to provide more assurance that the construction is accomplished in satisfactory conformance with the design drawings, specifications and other Contract Documents. The Resident Observer shall locate all new water assets and populate asset specific data into a Trimble GeoXH GPS handheld device which will be furnished by EWW to the KLH Resident Observer. Training associated with use of the Trimble GeoXH GPS handheld device will be provided by EWW.

It is our understanding that EWW will provide most construction phase General Project Supervision scope items such as shop submittal review, address contractor questions/prepare change orders and process payment requests. EWW has requested that KLH provide fees to provide supervision of our Resident Observer and consult with EWW personnel when requested. KLH proposes to provide the preceding scope of services for the following fees:

- |                                |   |
|--------------------------------|---|
| 1. Construction Phase Services | Hourly – See attached 2025 Hourly Rates                                 |
| 2. Resident Observation*       | \$12,500.00/man month + \$89/hr for each hour in excess of 40 hrs/week. |

\*Estimated to be 5 to 6-man months

We appreciate the opportunity of providing you with this proposal and trust it will receive your favorable consideration. Subject to Board approval, your execution of a copy of this Proposal will act as our authorization to proceed.

Respectfully Submitted,

KLH ENGINEERS, INC.

David A. Coldren, P.E.

Enclosure

**ERIE WATER WORKS**

**APPROVED BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

**ERIE WATER WORKS**  
**HUMAN RESOURCES COMMITTEE MEETING SUMMARY**  
**February 17, 2025**  
**Shantel D. Hilliard, Committee Chairman**

**Attendees**

EWV Board: David Palotas, Heather Harrington, Esq.

EWV Staff: Craig H. Palmer, Abigail Stafford

**Chief Executive Officer Items**

1. C. Palmer shared his recommendation for 2025 Management Compensation Level and Salary Adjustments with the committee.
2. C. Palmer shared that 70% of our main breaks occur in January through March. As a result the Distribution Department moved to shifts on January 20<sup>th</sup>.

**Human Resources Report**

*Employment Activity*

1. A. Stafford shared that we have 4 new hires (Brandy Baldi, Customer Service Representative II; Nathan Hutchison, Customer Service Representative II; Zachary Dunar, Assistant Network Administrator; and Jason Chapman, Labor Pool Laborer).
2. In preparation for an April retirement, we have promoted Josh Martin to Tech II and David Gentile to Tech I. We also had a resignation from the Engineering Services Representative. Ann Steinfurth was selected for that position as an internal transfer from Customer Service.
3. Our upcoming retirements include Mike Szychowski on 3/13/25 after 54 years of service and Mike Yacobozi on 4/1/25. Chris Neville also signed the DROP and plans to retire in 2028.
4. Recruitment efforts continue for a PA One Call Supervisor, a Temporary Customer Service Representative III, a permanent Customer Service Representative II, a Meter Technician, two One Call locators, and a Marketing/Communications person.
5. A. Stafford shared that she recently attended the Urban Erie Community Development Corporation Job Campaign at the Warner Theatre.

*Collective Bargaining Agreement Activity*

1. AFSCME Local 2206:
  - a. The contract between Erie Water Works and AFSCME Local 2206 will expire at the end of this calendar year. We are beginning preparations for negotiations.

*Department Updates*

1. Benefits:
  - a. A. Stafford shared that Flexible Spending Accounts have been updated to include a debit card and a rollover option to improve ease of use for employees. We also included education on this benefit option as we work to increase employees' knowledge of their benefit plans.
  - b. Currently, we have some benefits that use a calendar year beginning January 1<sup>st</sup> and others that begin March 1<sup>st</sup>. We are working with our benefit administrator to align those start dates to make benefit administration more efficient.

*Safety Report*

1. A. Stafford reported that there were 3 vehicle accidents and 3 workers' compensation incidents in 2024. Due to light duty assignments, no time was lost as a result of these incidents.
2. For Q1 of 2025, there have been 0 vehicle accidents and 0 workers' compensation incidents thus far.

3. The Safety Committee is meeting this week and reviewing 2025 safety goals. There will be a focus on a comprehensive training plan to include improved tracking and documentation of training events.
4. A. Stafford also shared that our Safety Committee has a new lead for safety inspections. One of our AFSCME employees volunteered to take on this task. He observed inspections with our safety consultant and revised our safety inspection procedures and documentation to improve the effectiveness of these inspections in preventing incidents.
5. C. Palmer shared that our Safety Committee is comprised of management, Teamsters, and AFSCME employees. We have seen an increase in engagement from non-management members, which is encouraging for developing a culture of safe work practices.

#### **HR Audit Update**

1. A. Stafford provided an itemized update on our actions related to the HR Audit completed by JL Nick in March 2024. A summary was provided to the committee addressing each topic, its priority level, items completed, and action items still in progress.
2. H. Harrington asked if there would be a final review by JL Nick at the completion of the updates. C. Palmer agreed that an external review by JL Nick upon conclusion of the HR updates will ensure all objectives are met.

#### **Management Compensation Discussion**

1. A. Stafford shared 2025 Management Compensation Adjustment recommendations as required by the Erie Water Works Compensation Policy and Procedures for Exempt Employees. A. Stafford reviewed research on current economic conditions and projected increases in similar industries. Further, A. Stafford discussed adding three grades to the bottom of our structure to ensure current and future positions are aligned with market data. Based on projected pay increases and economic data, A. Stafford recommended a 4% increase to the 2025 management salary pool and a 3.5% increase to the management salary structure.
2. C. Palmer stated this recommendation aligns with the 2025 budget.

#### **Employment Roster**

1. A. Stafford reviewed the budgeted versus actual positions, as well as any inactive personnel.
2. C. Palmer noted the DROP allows for us to be proactive in filling positions as retirements occur.

# ERIE WATER WORKS

## Year 2025 Management Compensation Level Adjustment and Salary Adjustments

### RESOLUTION #022025-05

RESOLVED, by the Board of the Erie Water Works that effective April 1, 2025, the Management Compensation Level Structure will be increased by 3.5% over the 2024 structures. Also effective April 1, 2025, management staff will be awarded salary adjustments based on their individual job performance evaluations from a 4% pool of available funds. These recommended adjustments are within the 2025 budgetary figures previously approved by the Board.

### EXPLANATION

The increases to the Compensation Levels and Salary Adjustments are supported by salary survey and Consumer Price Index data that have been presented to the Human Resources Committee and are consistent with the EWW Employee Compensation Procedures. 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:

R. Bergquist \_\_\_ C. Rush Dix \_\_\_ H. Harrington \_\_\_ S. Hilliard \_\_\_

L. Jones \_\_\_ D. Palotas \_\_\_ S. Trott \_\_\_ R. Wagner \_\_\_ J. Willis \_\_\_



**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)

February 18, 2025

Mr. Richard E. Wagner  
Chairman  
Erie Water Works  
340 West Bayfront Parkway  
Erie, PA 16507

RE: February 2025 Status Report

Dear Mr. Wagner:

The purpose of this letter is to provide a status report in regard to legal services for the month of February, 2025.

**PENNVEST Grant and Loan**

A Funding Offer from PENNVEST for a loan in the amount of \$3,233,574 and a non-payment grant in the amount of \$3,266,426 has been approved for a total \$6,500,000 for the Customer Side Galvanized Service Line Replacement Phase 1 Project. The first telephone conference has been held with PENNVEST and the matter has been scheduled for an October 2025 closing. At this time, we will proceed forward with drafting the necessary approvals to be presented to the Authority Board at the March meeting. We also will proceed with an appropriate Ordinance for City Council for its March meetings to approve the Guaranty of the loan.

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  
# 2580097.v1