



1801 Kutztown Road
Reading, Pennsylvania 19604
Phone: 610-406-6300
Fax: 610-406-6307
TDD: 610-655-6442

Reading Area Water Authority
Board Meeting
Thursday July 28, 2016

The Stated Board Meeting of the Reading Area Water Authority was held on Thursday July 28, 2016 at Reading City Hall, Council Chambers, 815 Washington St., Reading PA at 4:30 PM. Present were: Board Members: Chairman Ralph Johnson, Vice Chairman Steve Symons, Mr. William Murray, Ms. Julissa Espinal and Ms. Maria Rodriguez;, Mr. Thomas Weld, Engineer, BCM Engineers, and Mr. Dean Miller, Contracted Executive Director. Absent was Mr. Michael Setley, Solicitor.

Meeting called to order at 4:30 pm. The meeting was not recorded due to technical difficulties.

Public Comment:

Mr. Ernest Schlegel addressed the Board of Directors. Mr. Schlegel stated that he requested that the Reading Eagle retract and correct a story that was run on July 14, 2016 stating that the Mayor had appointed the majority of the board. Mr. Schlegel stated that was not true and it was only one person. Mr. Schlegel also asked why the RAWA Union contract was being reviewed by Reading City Council. He stated that in an opinion sought last year by the Municipal Authority's Attorney, it was noted that such a move was not needed, referencing page 3, section 3607.D.13. He also asked why RAWA is asking City Council about Municipal Contracts.

He stated that there is an Charter Violation report that is about to be discussed and made public shortly.

He also asked why the Mayors special assistant is spending so much time in the RAWA Administrative office, stating that he is being paid by the city but spending time with RAWA as a Board Member. He stated that the public deserves a response.

Mr. Bill Murray responded to Mr. Schlegel, stating that the opinion that was sought last year no longer applies to RAWA because the Authority is now in a position of dissolution by City Council. Mr. Murray also addressed Mr. Schlegel on the issue of him (Mr. Murray) being on loan to the RAWA office as a person with experience to work with RAWA personel. The Mayor offered this to the Board of Directors of RAWA and they accepted the offer.

Chairman Ralph Johnson asked for a motion to approve the Rules for Public Participation at Reading Area Water Authority Public Board Meetings. Ms. Julissa Espinal moved and Mr. Steve Symons Seconded the motion.

- All in favor. Motion passed unanimously

Chairman Mr. Ralph Johnson asked for a motion to approve the minutes from July 12, 2016. A motion was made by Mr. Bill Murray and seconded by Ms. Julissa Espinal.

- All in favor. Motion passed unanimously

Chairman's Report

Chairman Ralph Johnson asked if the board had opened the previously received RFQ's for Engineering Services. Mr. Dean Miller stated that they have not been opened. Mr. Johnson asked that to schedule a time and have them opened and reviewed. A discussion was had as to whether the opening of them needed to be advertised. Mr. Johnson asked that they be opened at the next scheduled Work Shop Meeting in August. Once they have been opened RAWA then can set up a time for the RFP's to be received and reviewed.

Board Report

Vice Chairman Steve Symons went reviewed 2 Review Panel Meetings recently had at RAWA Administrative office. Both customers were met with and responses to their requests were answered.

Mr. Bill Murray stated that he had worked on the RAWA By-Laws and they had been placed in the drop box for all Board members to review and discuss. The RFP for Legal services was also placed in the drop box for all board members to review. It was determined that Executive Director Dean Miller would be the point of contact for the submitters to respond to. The RFP will go out and a date will be determined to have the responses back to Mr. Miller. The RFP's will remain sealed until the Board has determined a date to open them and review them.

Mr. Steve Symons commented that he did not think that it was in the best interest of RAWA to use the City's Solicitor and that RAWA should look outside the area to other municipalities and see who they are using. He feels this should be turned around quickly, in 30 days or so. Ms. Julissa Espinal also agreed that RAWA should not use someone involved in the City of Reading's legal business.

Mr. Murray also presented the RFP for Forensic Audit draft. He asked that everyone take a look at it and propose criteria for it. He said that a wide range of things can be requested. He stated that he would like to get a proposal for 30 days of work and then RAWA can determine if further things should be investigated. Mr. Johnson asked Mr. Miller to get a list of proposed auditors together and to include in the list Baker Tilly.

Mr. Johnson asked for a motion to move to submit a RFP for a Forensic Audit. Mr. Bill Murray moved and Mr. Steve Symons seconded this motion.

Mr. Murray asked that everyone please support this because he has been exposed to some things that should be looked at much closer from the previous board and former Chairman Schlegel had been accused in public meeting that also he was told by employees that at 5 times his personal account had been adjusted of late charges. Mr. Murray also stated that there was a VIP list kept and that when he questioned RAWA personal no one could tell him what it was even used for, so it was immediately removed. Mr. Murray stated that Baker Tilly never had the opportunity to actually come into the RAWA office and investigate their findings and that a need for a full internal audit is needed. Mr. Symons stated that he does support it and that it is time. Ms. Espinal stated that this will end the speculation that is out there and clear people's names if there is nothing to hold up to the accusations.

- All in favor. Motion passed unanimously

Mr. Murray went on to state that he is working with HRC Director Kim Talbot and RAWA senior staff to come up with a program to help get customers that have no water turned on again, the Off/On program.

He stated this program is for Owner Occupied customers only, and there will be a minimum of 4 changes:

1. Pushing back the late fee that RAWA charges after 30 days to 50 days. A potential loss of review could be about \$400,000 for a year.
2. During that time frame there will be phone calls made to customers indicating that their bill is due. Projected cost to make the phone calls for the year would be about \$60,000.
3. The 20% collection fee will be pushed back 30 additional days, which will cause ARB to see a loss not RAWA.
4. Water shut off would only occur after all avenues have been exhausted and the customer has not made any type of arrangement to pay on the delinquent balances. Turn off would be after 155 days delinquent.

Right now the policy being followed for payment plans once in collections is 50% down and balance due in 45 days. Currently there are 1578 accounts noted that are without water. If this new program could generate 20% or 315 properties to be turned back on with a \$500 average deposit, it will generate \$157,000 in revenue. In addition each property would be averaging a monthly payment of at least \$100, which is an additional \$31,500 monthly of generated revenue. With a potential gain of revenue of about \$64,000 after cost of producing the water, Mr. Murray feels this is a step in the right direction to help the city of reading with the blighted property costs, by getting properties turned back on and people living in the property.

Executive Director:

Mr. Dean Miller asked for a motion to approve the Capital Fund invoices for July 28, 2016, totaling \$96,342.73. Ms. Julissa Espinal made the motion and Mr. Steve Symons seconded to authorize the payment of the Capital Expense invoices as presented.

- All in favor. Motion passed unanimously

Mr. Dean Miller asked for a motion to approve the General Funds invoices for July 28, 2016, totaling \$411,766.79. Mr. Bill Murray made the motion and was seconded by Ms. Julissa Espinal to authorize the payment of the General Expense invoices as presented. There was a discussion had concerning the transition of Attorney Setley, and also questioned was the final RKL payment. The payment was made as an installment and last payment due for the 2015 financial audit. Mr. Murray asked that we make the RAWA accounting firm be present at RAWA board meeting for any questions that may arise.

- All in favor. Motion passed unanimously

Mr. Dean Miller presented to the board the updated department reports for their review. Mr. Miller noted that the situation at North Heidelberg received a DEP emergency permit to have the Contact Tank fixed. RAWA has until August 10, 2016 to have the tank repaired. Mr. Miller reported that there have been a number of main breaks in the past week due to the extreme heat, and the RAWA distribution staff has been on the job repairing them quickly.

Engineers Report:

Mr. Tom Weld referred the Board members to his updated report on items #2, North Heidelberg contact tank leak and #10 the Ember Clear, Birdsboro project which is an ongoing project. Mr. Murray stated that he had recently met with the Birdsboro Council and Authority and they are 100% on board and working to get this project completed.

A motion was made to adjourn the meeting by Mr. Steve Symons and seconded by Mr. Bill Murray.

- All in favor. Motion passed unanimously

Meeting adjourned at 6:00 pm

The next Reading Area Water Authority Work Shop Meeting will be held on Tuesday August 9, 2016 at 4:30PM at Reading Area Water Authority's Administrative office, 1801 Kutztown Road, Reading PA 19604