

# Reading Area Water Authority

Chairman  
*John Ulrich*

Vice-Chairman  
*Thomas Brogan*

Treasurer  
*Joseph Kuzminski*

Secretary  
*Donna Glaze*

Board Member  
*Raymond Schuenemann III*



815 Washington St.  
Reading, Pennsylvania 19601  
Phone: 610-655-6251  
Fax: 610-655-6379

Executive Director  
*Dean A. Miller*

Reading Area Water Authority  
Stated Meeting  
December 15, 2009

The Stated Meeting of the Reading Area Water Authority was held on Tuesday, December 15, 2009 in the Penn Room located at 815 Washington Street, Reading PA 19601.

Present were: Board Members: Mr. John Ulrich, Ms. Donna Glaze, Mr. Joseph Kuzminski, Mr. Raymond Schuenemann III and Dr. Thomas Brogan. Mr. Dean Miller, Contract Executive Director, RAWA.. Mr. Michael Setley, Solicitor. Mr. Thomas Weld, BCM Engineers. Mr. Kerry Heckman, Contracted Government Accountant. Absent was Ms. Susan Days, Chief Administrative Officer, RAWA.

Mr. Vaughn Spencer, City Council President stated he was present to resolve an issue with the Reading School District. Mr. Spencer mentioned that the Reading School District is now charging the City of Reading for use of there facilities for recreation activities. Mr. Spencer questioned if RAWA has started charging the School District for water consumption. Mr. Miller replied that RAWA has begun charging the service fees as of September 2009. Mr. Miller added that as of January 2010 RAWA will start charging the School District for consumption based on the population in each building, since the School District to date has not had their meters tested and/or replaced. Mr. Spencer is requesting RAWA to hold off on charging the School District until the new school board members are in place. Mr. Setley wanted to know what the fees would be annually for the activities Mr. Spencer had mentioned. Mr. Spencer stated that he was not sure what the total cost is to the City. Mr. Spencer had documented amounts that are being charged to different organizations and mentioned that the City of Reading was in the highest class. Mr. Setley mentioned that RAWA should compare the difference of charging the School District for water being used verses what the cost would be for the activities. Mr. Setley suggested for RAWA to make a contribution to the City of Reading if RAWA is to charge for the water being used. Mr. Schuenemann suggested RAWA have more accurate numbers from the use of recreation facilities as well as the consumption before he would consider not charging the School District for consumption for the Water/Sewer Bills for January 2010. Mr. Brogan stated he feels that it is more important to have clean potable water then having these activities. Mr. Brogan added that he feels those activities are up to the School Board to determine how those fees should be paid, not to be determined by the RAWA. Mr. Spencer added that the School Board does not have funds allotted for the

Water bills. Mr. Brogan added he would like to know what the School District is going to do before deciding what RAWA would do. Mr. Setley mentioned that the water consumption will not be charged actually until February 2010 for the Water Consumption used in January 2010. Mr. Setley added that this should give Mr. Spencer time to get the actual numbers to the RAWA Board of what is owed to the School District for their facilities. Mr. Setley requested that RAWA received the estimated numbers what the City of Reading would be expected to pay for the use of the facilities. Mr. Spencer was asked to sit with the School Board and get the info to RAWA before the next meeting. Mr. Miller added that the RAWA has the actual student count however RAWA is waiting on the actual amount of Faculty in each of the School Buildings. Mr. Miller added that these numbers are needed in order to determine how much water will be used in each of the School Buildings. Mr. Setley mentioned that there was a large difference between what the School District would charge the City of Reading as opposed to other City organizations. Mr. Setley added that the amounts should go by how the organization is classified. Mr. Schuenemann asked if the amounts could be challenged in the future by the City of Reading Solicitor. Mr. Spencer mentioned the City of Reading is currently looking into all of these options. Mr. Schuenemann requested that the City of Reading go to the School Board and tell them that RAWA needs the numbers in order to make any kind of considerations. Mr. Setley said RAWA needed the numbers before the next Stated Board Meeting which will be held on the second Tuesday of the month. Mr. Spencer thanked the Board for their consideration.

Mr. Carl Geffken, Finance Director of the City of Reading was present to discuss the situation of the City of Reading having a 15 Million Dollar deficit for the Fiscal Year 2010. Mr. Geffken explained that EIT & property taxes would be raised to help fill that deficit, however the City of Reading is requesting the RAWA to make a contribution towards the 2010 General Fund in the amount of \$500,000.00. The City of Reading is requesting this increase to keep from having to lay off more City of Reading employees. Mr. Raymond Schuenemann asked for clarity as to what was meant by contributions. Mr. Mike Setley explained the RAWA pays the lease payment to the City of Reading and how the money is then distributed. Mr. John Ulrich stated that he feels no action should be taken today and there should be further discussion. Mr. Ulrich added that he is concerned about Capital Improvement Projects that are ongoing by the RAWA could be affected in order to maintain Reading's Water System. Mr. Schuenemann asked if the City of Reading has requested a raise in contributions prior. Mr. Setley stated that the last contribution was with the increase in the Meter Surcharge. Mr. Geffken mentioned that in the City of Reading 2010 Budget, RAWA has requested an increase in the budget by \$300,000. Mr. Thomas Brogan asked if the City of Reading has already included this increase in their 2010 Budget. Mr. Geffken stated yes, this amount has already been calculated into the 2010 Budget. Mr. Brogan asked when the RAWA was first informed about this increase since this is the first time the RAWA Board of Directors are hearing of this request. Mr. Setley stated that the request was presented to RAWA Staff yesterday. Mr. Geffken stated it was a last minute decision to come to the Water Authority with the request in order to minimize the potential layoffs of the City of Reading employees. Mr. Ulrich asked what is to stop the City of Reading to request an additional \$500,000 for 2011. Mr. Geffken responded that if that would happen, RAWA could deny the request for 2011; however, the City of Reading is requesting this amount for 2010. Mr. Setley stated that the RAWA can afford this cost without raising water rates. After discussion, it was agreed that a Special Meeting would be scheduled for December 29, 2009 at 12:00 PM in the Penn Room to discuss the RAWA finances before the beginning of the year. Mr. Spencer stated that the City of Reading Council will meet January 28, 2010 however Mr. Spencer and Mr. Geffken requested to have a Special Meeting with the RAWA for January 30, 2010 after the RAWA has made a decision.

A motion was made to go into Executive Session. All in favor. Motion passed unanimously.

A motion was made by Ms. Donna Glaze and seconded by Mr. Raymond Schuenemann III to approve the minutes of the November 4, 2009 Meeting. All in favor. Motion passed unanimously.

**Financial Report:**

- Invoices for December 2009: \$ 87,238.00
- Capital Invoices for December 2009 \$ 297,474.83
- Lease Payment for December 2009: \$ 1,398,577.25

A motion was made by Mr. Thomas Brogan and seconded by Ms. Donna Glaze to authorize the payment of the outstanding invoices as presented. All in favor. Motion passed unanimously.

A motion was made by Mr. Thomas Brogan and seconded by Mr. Joseph Kuzminski to authorize the payment of the Capital Invoices as presented. All in favor. Motion passed unanimously.

A motion was made by Mr. Thomas Brogan and seconded by Mr. Joseph Kuzminski to authorize the payment of the Lease Payment to the City of Reading for the month of December 2009. All in favor. Motion passed unanimously.

A motion was made by Mr. Joseph Kuzminski and seconded by Mr. Thomas Brogan to authorize Zurich Insurance as the RAWA Insurance Carrier.

Mr. Miller discussed the results of the Review Panel Hearing for 918 Summit Chase Dr. Mr. Miller stated that there was an adjustment made to property address and explained that the account was being estimated for a period of 24 consecutive months. Mr. Miller stated that in addition to the adjustment, a 30 month payment arrangement was offered to the customer.

There was discussion regarding the response letter that was RAWA received from President Barack Obama. The RAWA Board of Directors discussed applying for State Funding through the Tarp Fund. The Board agreed that letters should be sent to the Local State Representatives to apply for this funding. Mr. Miller stated that he has received phone calls from some of the local State Representatives in regards to the letters that were previously forwarded by the RAWA. Mr. Miller added that RAWA has received positive responses from all whom have contacted RAWA. After discussion, it was agreed that RAWA gather additional information and provide to the State Representatives for future projects that are in need of funding.

A motion was made by Mr. Raymond Schuenemann and seconded by Mr. Joseph Kuzminski to adjourn the meeting. All in favor. Motion passed unanimously.

Meeting adjourned.

The Reading Area Water Authority Re-Organizational Meeting will convene on Tuesday, January 5, 2010 at 4:00 PM.