

**North Wales Water Authority
Board of Directors Meeting
Minutes of 10/12/2016**

Call to order:

A regular business meeting of the NWWA Board of Directors held at the NWWA Offices, 200 West Walnut Street, North Wales, PA., 19454, and called to order at 5:00 p.m.

Pledge of Allegiance:

Mrs. Nagel led all in attendance in the Pledge of Allegiance.

Roll Call:

Roll call was taken and recorded as follows;

| <u>Attendee Name</u> | <u>Organization</u> | <u>Title</u> | <u>Status</u> |
|-------------------------|---------------------|------------------------|---------------|
| Joan H. Nagel | NWWA | Chair | Present |
| Albert S. Tenney | NWWA | Vice Chair | Present |
| Donna L. Mengel | NWWA | Secretary | Present |
| Herbert W. Kavash | NWWA | Treasurer | Present |
| Gregory J. D'Angelo | NWWA | Asst. Sec/Treasurer | Present |
| Robert C. Bender | NWWA | Executive Director | Present |
| Bradley S. Fisher, P.E. | NWWA | Dir of Engineering/Ops | Present |
| Christine Lezoche | NWWA | Director of Finance | Present |
| Michael Clarke, Esq. | Rudolph Clarke | Authority Solicitor | Present |
| Kenneth Heydt, PE | Carroll Engineering | Authority Engineer | Present |
| Melissa Fiala, Esq. | Rudolph Clarke | Authority Solicitor | Present |

Executive Session Report

There was no executive session at the prior meeting

Approval of Minutes:

The Board considered the Minutes of September 14, 2016.

Upon a motion of member Tenney, seconded by member Mengel, the minutes were approved as presented.

Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|--------------|-----------|--|---------|--------|---------|--------|
| Mrs. Nagel | | | x | | | |
| Mr. Tenney | Initiated | | x | | | |
| Ms. Mengel | Seconded | | x | | | |
| Mr. Kavash | | | x | | | |
| Mr. D'Angelo | | | | x | | |

Public Comment: No Public Present

Resolutions:

None this meeting

Bids and Contracts:

Mr. Heydt presented the Penn BID results for Contract 530-16-10 E1010 Gwynedd Manor Road Water Main Replacement Project. The bid included presented as a Base Bid with the option to also include an additional element involving the replacement of storm sewer for Upper Gwynedd Township. The township has verbally agreed to participate and will be sending written confirmation of their intent. The apparent low bidder for both options is Joao & Bradley Construction with a base bid amount of \$73,967.00 and the UGT storm sewer option amount of \$46,344.00, for a total of \$120,311.00 Upon a motion by member Mengel, seconded by member D'Angelo all members present voted to award the base contract for the NWWA, and also to award the additional element, subject to receiving written confirmation from Upper Gwynedd for that portion of the bid and contract

☑ Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|------------|--------------|-----------|---------|--------|---------|--------|
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | | x | | | |
| | Ms. Mengel | Initiator | x | | | |
| | Mr. Kavash | | x | | | |
| | Mr. D'Angelo | Seconded | x | | | |

Solicitors Report:

Mr. Clarke did not have any action items for the Board, but requested a short Executive Session after the regular agenda to report upon a personnel matter, noting that no official Board action will be requested or expected. Ms. Fiala reported that they continue to work on the employee handbook and water supply agreements.

Engineers Report:

Mr. Heydt updated the Board on the status of Contract 530-16-08 Virginia Dr. Project. He and Authority staff will be meeting with the contractor next week to discuss the possible mutually agreed upon termination of the contract due to the drilling difficulties during the installation of Bridge 1 & 2. There is a clause in the contract and Mr. Heydt will discuss matters with Mr. Clarke after the contractor meeting.

Bridge 3 was reengineered and the Upper Dublin Twp contractor has agreed to add our work to their bid project.

Mr. Heydt presented Change Order #1 for Contract 530-16-08 - Virginia Drive water main relocation project. This change included an increased work schedule of 27 days, and additional payment of in the amount of \$54,034.86 due to unforeseen drilling difficulties occurring at the Bridge crossings. Upon a motion by member Mengel, seconded by member D'Angelo, all those present voted in favor

☑ Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|------------|--------------|-----------|---------|--------|---------|--------|
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | | x | | | |
| | Ms. Mengel | Initiator | x | | | |
| | Mr. Kavash | | x | | | |
| | Mr. D'Angelo | Seconded | x | | | |

Mr. Heydt next presented Payment Application #3 and 4 in the amount \$93,723.77 to Vollers Excavating & Construction for Bid Contract 530-16-08 Virginia Dr. water main relocation project.
 Upon a motion by member Kavash, seconded by member Mengel, all those present voted in favor.

☑ Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|------------|--------------|-----------|---------|--------|---------|--------|
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | | x | | | |
| | Ms. Mengel | Seconded | x | | | |
| | Mr. Kavash | Initiator | x | | | |
| | Mr. D'Angelo | | x | | | |

Mr. Heydt next presented a Carroll Engineering Corporation proposal dated October 07, 2016, for Engineering, Design, and Bidding services in preparations for repainting & refurbishing the Blue Bell and Susquehanna Water Storage Tanks, also including the installation of water quality mixers in the tanks at a cost not to exceed \$71,500.00, plus incidentals.
 Upon a motion by member Tenney, seconded by member Kavash, all those present voted in favor.

☑ Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|------------|--------------|-----------|---------|--------|---------|--------|
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | Initiator | x | | | |
| | Ms. Mengel | | x | | | |
| | Mr. Kavash | Seconded | x | | | |
| | Mr. D'Angelo | | x | | | |

Operations Report:

Mr. Fisher presented the monthly operations report, noting all water flows and operational activities were with the normal ranges, except for the maximum daily flow of 17,702,000 gallons during the prior month, resultant of new water sales to Warminster, Warrington, and Horsham Townships. Mr. Fisher also reported that Penn DOT has started work on County Line Road, requiring the lowering of an existing NWWA water main.

Bills & Requisitions Approval:

Mrs. Lezoche presented the bills listings, noting that there were no payments or activities out of the ordinary, and recommending and requesting approval to pay all invoices, process all refunds, and to transfer and/or requisition funds, as presented.

- a. Ratification of Bills, Customer Refunds, Fund Transfers & Requisitions for list dated 09/14/2016
- b. Ratification of Bills, Customer Refunds, Fund Transfers & Requisitions for list dated 09/21/2016
- c. Ratification of Bills, Customer Refunds, Fund Transfers & Requisitions for list dated 10/03/2016
- d. Ratification of Bills, Customer Refunds, Fund Transfers & Requisitions for list dated 10/05/2016

Upon a motion by member Kavash, seconded by member Tenney, all present voted in favor.

☑ Roll Call Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|------------|--------------|-----------|---------|--------|---------|--------|
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | Seconded | x | | | |
| | Ms. Mengel | | x | | | |
| | Mr. Kavash | Initiator | x | | | |
| | Mr. D'Angelo | | x | | | |

Mrs. Lezoche next presented the Consulting Engineers Certificate of Approval for the debt service coverage included within the proposed 2016-2017 Operating Budget.

☑ Vote Record

| x Approved | | | Yes/Aye | No/Nay | Abstain | Absent |
|------------|--------------|-----------|---------|--------|---------|--------|
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | | x | | | |
| | Ms. Mengel | Initiated | x | | | |
| | Mr. Kavash | Seconded | x | | | |
| | Mr. D'Angelo | | x | | | |

Mr. Bender and Mrs. Lezoche next presented the 2016-17 budget, noting that the proposed budget was properly balanced, included all required or scheduled system replacements and upgrades, and that the budget would not require any increase in Water or Sewer rates. A discussion ensued during which time several questions from the Board were addressed. Upon completing the review and discussion of the budget, Mr. Bender and Mrs. Lezoche recommended and requested approval of the budget, including the following terms, conditions, and authorities:

1. Approve the Operations Budget for Fiscal Year 2016-2017, with a fiscal year ending October 31, 2017, including:

| | |
|---------------------------|----------------------|
| Operating Revenues | \$ 24,622,775 |
| Non-Operating Revenues of | \$ 784,694 |
| Total Revenues | \$ 25,407,469 |

| | |
|-----------------------|----------------------|
| Operation Expenses | |
| Total Expenses | \$ 15,736,941 |

| | |
|---|---------------------|
| NET Income - before depreciation | \$ 2,878,873 |
| Depreciation (for balance sheet) | \$ 5,460,000 |

2. Approve **Capital Improvements Budget for 2016-2017 of \$ 11,745,982**
3. Authorize the Finance Director to allocate Cell Antenna/Rental Revenues at a 50/50 ratio between the Water and Sewer revenue accounts.
4. Authorize staff base salary (or hourly rate) increases of 2.5%
5. Confirm that there shall be **no water rate increase for Fiscal Year 2016-2017**
6. Confirm that there shall be **no sewer rate increase for Fiscal Year 2016-2017**
7. Authorize distribution of the performance incentive pool per budget allocation.
8. Authorize the Executive Director and Finance Director to take all actions necessary to implement this approved budget and financial plan.

Mr. Bender thanked Mrs. Lezoche and Mr. Fisher for their efforts and time spent in preparation of the budget again this year. He said that the process was methodical and each area cost center was reviewed thoroughly.

Upon motion by member Tenney, seconded by member Mengel, all present voted in favor of the budget, subject to the recommended terms and conditions.

| Vote Record | | | | | | |
|--------------------|--------------|-----------|---------|--------|---------|--------|
| x | Approved | | Yes/Aye | No/Nay | Abstain | Absent |
| | Mrs. Nagel | | x | | | |
| | Mr. Tenney | Initiator | x | | | |
| | Ms. Mengel | Seconded | x | | | |
| | Mr. Kavash | | x | | | |
| | Mr. D'Angelo | | x | | | |

Executive Directors Report:

Mr. Bender updated the Board on several pending matters, as follows:

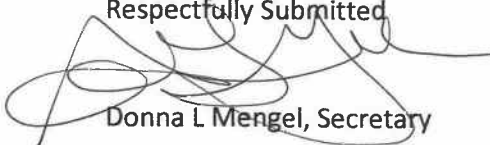
- Noted that the land acquisition for the proposed new Montgomery Township water storage tank has been moving forward.
- That the revisions to the Warrington Township water supply agreement have been delivered, and the revised document is being reviewed by Warrington.
- That he has asked our IT Systems Consultant, Alura Business Services, to provide a proposal for a detailed Vulnerability Analysis of our entire IT and Data system, with the intent of enhancing our system security. He noted that the proposal will be presented at a future meeting.
- That we continue to work towards purchasing the new billing system software, and that the matrix showing the methodology in making the selection of vendors will likely be forwarded to the Board in the next two weeks, and scheduled for formal review and approval in November.
- He noted that the annual newsletter to the North Wales Borough sewer customers is being prepared and is scheduled to be mailed next week, once the Board has an opportunity to review and comment upon the draft distributed at the meeting.

Adjournment:

There being no further business before the Board, upon motion by member Kavash, seconded by member D'Angelo the business meeting was adjourned at 5:40 pm.

All present voted in favor.

Respectfully Submitted



Donna L Mengel, Secretary