

# North Wales Water Authority Board of Directors

## Minutes of 10-24-2012

**Call to order:**

The meeting was held at the NWWA Offices, 200 W Walnut St, North Wales, PA 19454, and called to order by Board Chair, Joan Nagel, 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;

Attendee Name	Organization	Title	Status
Joan Nagel	NWWA	Chair	Present
Albert Tenney	NWWA	Vice Chair	Present
Carene Makinson-Sanders	NWWA	Secretary	Present
Herbert Kavash	NWWA	Treasurer	Absent
Donna Mengel	NWWA	Asst. Sec/Treasurer	Present
Robert C. Bender	NWWA	Executive Director	Present
Raymond J. Berry	NWWA	Director of Operations	Present
Christine Lezoche	NWWA	Director of Finance	Present
Michael Clarke	Rudolph Clarke Kirk	Authority Solicitor	Absent
Kenneth Heydt, P.E.	Carroll Engineering	Authority Engineer	Present
Melissa Fiala	Rudolph Clarke Kirk	Authority Solicitor	Present

Ms. Fiala reported that the Board held a brief Executive Session after the regular meeting of 10/10/20012 to discuss potential litigation. No action was taken.

**Approval of Minutes:**

The Board next considered approval of the Minutes of 10/10/2012. Upon a motion of member Mengel, seconded by member Tenney the minutes were approved as submitted.

<b><u>Vote Record</u></b>						
			Yes/Aye	No/Nay	Abstain	Absent
x Approved	Mrs. Nagel		x			
	Mr. Tenney	Seconded	x			
	Mrs. Sanders		x			
	Mr. Kavash					x
	Ms. Mengel	Initiated	x			

**Public Comment:** No members of the public were present.

**Authority Financing Update:**

Messrs.' Christopher Gibbons, Kevin Scott, and Howard Woods, were in attendance to present the Board with an updated plan for future financing needs of the Authority. Discussion ensued on several planned capital projects, including the County Line Water Transmission Line, Forest Park Surge Tank, Blue Bell Water Tank replacement, and sewer line repairs, with several different options for financing these projects. Mr. Woods gave a presentation on the methods that could be used to maintain our current financial standing including our bond rating, debt service coverage ratio, the BRIF balance needed to cover six months of operations, and the continued desire of the Board to minimize all future water rate increases.

Mr. Gibbons of Concord Public Finance presented to the Board with several options for financing the above referenced projects, and lengthy discussion ensued regarding the impact of each, and best long-term solution. Upon a motion by member Tenney, seconded by member Sanders the board agreed to implement the recommendation of the Consultants and professional staff, calling for two separate financings. One borrowing will be completed within calendar year 2012 in an amount not to exceed \$10 million dollars in order to take full advantage of bank-qualified rates, with the \$14 million dollar remainder to be settled in early 2013.

Mr. Kevin Scott of Fox Rothschild advised the Board that in his opinion, this financial plan was in proper form and would be supported by bond Counsel.

Vote Record							
			Yes/Aye	No/Nay	Abstain	Absent	
x	Approved	Mrs. Nagel	x				
		Mr. Tenney	Initiated	x			
		Mrs. Sanders	Seconded	x			
		Mr. Kavash					x
		Ms. Mengel		x			

Mr. Gibbons then reviewed two options for financing the split financing. The Authority could do a bank loan and a bond, or issue two bonds. It was determined that there would be considerable savings to the Authority to use a bank loan for the first borrowing, and a conventional bond issuance for the second borrowing. Upon a motion by member Mengel, seconded by member Tenney the Board authorized Mr. Gibbons to solicit formal proposals to various banking institutions and to authorize the staff and professionals to prepare the proper resolutions and documentation for board approval, based upon the best combination of rates and financing costs. These documents will be presented to the Board for their final review and approval at a later date

Vote Record							
			Yes/Aye	No/Nay	Abstain	Absent	
x	Approved	Mrs. Nagel	x				
		Mr. Tenney	Seconded	x			
		Mrs. Sanders		x			
		Mr. Kavash					x
		Ms. Mengel	Initiated	x			

Mr. Gibbons then reviewed the 2007 sewer bonds that were issued and reported that these could be also refinanced as part of the second borrowing or bond issue in early 2013, yielding a substantial savings. Upon a motion by member Sanders, seconded by member Tenney the Board approved the refinancing as proposed.

Vote Record						
			Yes/Aye	No/Nay	Abstain	Absent
x Approved	Mrs. Nagel		x			
	Mr. Tenney	Seconded	x			
	Mrs. Sanders	Initiated	x			
	Mr. Kavash					x
	Ms. Mengel		x			

Mr. Bender presented the 2012-2013 Capital & Operations Budgets, noting that the budgets were both balanced without the need for any rate increase in 2012-2013.

Mr. Bender then requested the Board to approve the budgets by motion as presented below:

**MOTION TO:**

1. Accept **Consulting Engineer's Certificate - Approval of Sewer Budget -** Fiscal year 2013, dated October 18, 2012.
2. Accept **Consulting Engineer's Certificate - Approval of Water Budget -** Fiscal Year 2013, dated October 18, 2012.
3. Approve the **Water Operations Budget for Fiscal Year 2012-2013**, with a fiscal year ending October 31, 2013, including:

Operating Revenues of	\$	15,669,723
Other Revenues of	\$	411,923
<b>Total Water Operations Revenues of ....</b>	<b>\$</b>	<b>16,081,646</b>

**and**

Operation Expenses of	\$	8,636,561
<b>Total Water Operations Expenses of ....</b>	<b>\$</b>	<b>8,636,561</b>

**NET Water Income - before depreciation - of \$ 7,445,085**

4. Approve the **Sewer Operations Budget for Fiscal Year 2012-2013**, with a fiscal year ending October 31, 2013, including:

Operating Revenues of	\$	907,250
Other Revenues of	\$	1,189,273
<b>TOTAL Sewer Operations REVENUES OF..</b>	<b>\$</b>	<b>2,096,523</b>

**and**

Operation Expenses of	\$	397,866
<b>Total Sewer Operations Expenses of</b>	<b>\$</b>	<b>397,866</b>

**NET Sewer Income - before depreciation - of \$ 1,698,657**

5. Approve **Water Capital Improvements Budget for 2012-2013 of \$21,703,263**
6. Approve **Sewer Capital Improvements Budget for 2012-2013 of \$1,513,250**
7. Authorize the Finance Director to allocate all Cell Antenna/Rental Revenues at a 50/50 ratio between the Water and Sewer Operating Funds.

8. Authorize staff base salary (or hourly rate) increases of 2.5%
9. Authorize performance incentive program @ 3.5% of payroll, maximum.
10. Confirm that there shall be **no water rate increase** for Fiscal Year 2012-2013
11. Confirm that there shall be **no sewer rate increase** for Fiscal Year 2012-2013
12. Authorize the Executive Director and Finance Director to take all actions necessary to implement this approved budget and financial plan.

Upon a motion by member Mengel, seconded by member Sanders, the budgets were approved as follows.

Vote Record						
			Yes/Aye	No/Nay	Abstain	Absent
x Approved	Mrs. Nagel		x			
	Mr. Tenney		x			
	Mrs. Sanders	Seconded	x			
	Mr. Kavash					x
	Ms. Mengel	Initiated	x			

**Resolutions:**

Nothing at this time.

**Solicitors Report:**

Nothing at this time.

**Engineers Report:**

Mr. Heydt presented to the Board, Payment Application #5 for Contract #530-12-16 for the Cedar Hill Rd Penllyn Project in the amount of \$31,017.79 to B P Paterson Inc. Upon a motion by member Tenney, seconded by member Sanders the payment was approved as follows.

Vote Record						
			Yes/Aye	No/Nay	Abstain	Absent
x Approved	Mrs. Nagel		x			
	Mr. Tenney	Initiated	x			
	Mrs. Sanders	Seconded	x			
	Mr. Kavash					x
	Ms. Mengel		x			

Mr. Heydt reported that they will be opening bids for the FPTLEP on Tuesday October 30<sup>th</sup>.

**Operations Report:**

Mr. Berry reviewed the monthly operations reports.

Mr. Berry presented the Certificate of Completion and Dedication of Improvements for E-0941 Anglesey Estates for acceptance. Upon a motion member Tenney, seconded by member Sanders the Certificate was accepted as follows.

		Yes/Aye	No/Nay	Abstain	Absent
x Approved	Mrs. Nagel	x			
	Mr. Tenney Initiated	x			
	Mrs. Sanders Seconded	x			
	Mr. Kavash				x
	Ms. Mengel	x			

**Bills & Requisitions Approval:**

Mrs. Lezoche noted nothing out of the ordinary was contained within the bills listing, and presented the bill listings recommending and requesting approval to pay all invoices, process all refunds, and to transfer and/or requisition funds, as presented to the Board.

- a. **Approval of Bills , Refunds, Transfers and Requisitions List dated: 10/11/2012**
- b. **Approval of Bills , Refunds, Transfers and Requisitions List dated: 10/17/2012**

Payment of the bills as presented was approved by the Board in accordance with the following vote:


<input checked="" type="checkbox"/> Vote Record					
		Yes/Aye	No/Nay	Abstain	Absent
x Approved	Mrs. Nagel	x			
	Mr. Tenney	x			
	Mrs. Sanders Seconded	x			
	Mr. Kavash				x
	Ms. Mengel Initiated	x			

**Executive Directors Report:**

No additional items were reported.

**Adjournment:**

There being no further business before the Board, upon motion by member Sanders, seconded by member Mengel, the meeting was adjourned at 6:20 pm. All present voted in favor.

Respectfully Submitted  
  
 Carene Makinson-Sanders, Secretary