

**North Wales Water Authority
Board of Directors Meeting**

Minutes of 09/13/2023

Call to order:

A regular business meeting of the NWWA Board of Directors was held at the NWWA business office on September 13, 2023, and called to order by Board Chair 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.

<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
Neil J McDevitt	NWWA	Treasurer	Present
Sally Neiderhiser	NWWA	Asst./Sec Treasurer	Absent
Robert C. Bender	NWWA	Executive Director	Present
Joseph E. Murphy	NWWA	Asst Director of Ops.	Present
Christine Lezoche	NWWA	Director of Finance	Present
Barbara Merlie Esq.	Rudolph Clarke	Authority Solicitor	Present
Michael P Clarke	Rudolph Clarke	Authority Solicitor	Absent
Lane Bodley P.E.	Carroll Engineering	Authority Engineer	Present
Allen Mason P.E.	Carroll Engineering	Authority Engineer	Absent
Nicole Feight	Rudolph Clarke	Authority Solicitor	Present

Becca Suskin was present to provide ASL services for Mr. McDevitt. Ms. Neiderhiser was excused

Approval of Minutes:

The Board next considered approval of the Minutes of 08/16/2023. Upon a motion of member Mengel, seconded by member Tenney, the minutes were approved as presented.

<u>Vote Record</u>		<u>Yes/Aye</u>	<u>No/Nay</u>	<u>Abstain</u>	<u>Absent</u>
x	Approved				
	Tabled	Ms. Nagel			
	Failed	Mr. Tenney	Seconded		
		Ms. Mengel	Initiated		
		Ms. Neiderhiser			x
		Mr. McDevitt		x	

Resolutions: None this meeting

Public Comment: None present or presented.

Bids and Contracts: None this meeting

Solicitors Report:

Mrs. Merlie presented the following for approval:

Deed of Dedication and Extension Agreement for E1085 DeLuca Warrington LLC (Barclay Hill), Warrington Twp. Upon a motion of member McDevitt, seconded by member Mengel, the motion was approved as presented.

☑ Vote Record						
			Yes/Aye	No/Nay	Abstain	Absent
x	Approved					
	Tabled	Ms. Nagel	x			
	Failed	Mr. Tenney	x			
		Ms. Mengel	Seconded	x		
		Ms. Neiderhiser				x
		Mr. McDevitt	Initiated	x		

Engineers Report:

Mr. Bodley asked for approval of the following:

Payment Application #5 for Bid Contract 530-20-11 Park Ave/Ferry Rd Project, in an amount of \$1,129,645.99 for work completed to date to Joao & Bradley Construction Inc.

Upon a motion of member Tenney, seconded by member Mengel, the payment was approved as presented.

☑ Vote Record						
			Yes/Aye	No/Nay	Abstain	Absent
x	Approved					
	Tabled	Ms. Nagel	x			
	Failed	Mr. Tenney	Initiated	x		
		Ms. Mengel	Seconded	x		
		Ms. Neiderhiser				X
		Mr. McDevitt		x		

Operations Report:

Mr. Murphy reported that there was not anything out of the ordinary to point out for the month. He reviewed the Operations Report and reported that the Elm Avenue Project was almost complete, with paving completed last week. He noted that the Virginia Drive project was complete, and that the 1553 Easton Road project is continuing and should be under roof within the next two weeks.

Mr. Murphy presented the following Payment Application for approval:

Payment Application #3 to Walter Brucker & Co., in the amount \$322,740.00 for work completed to date on the 1553 Easton Rd Project Bid Contract 573-22-01-G. Upon a motion by member Mengel, seconded by member McDevitt, the payment was approved.

☐ Vote Record

			Yes/Aye	No/Nay	Abstain	Absent
x	Approved					
	Tabled	Ms. Nagel	x			
	Failed	Mr. Tenney	x			
		Ms. Mengel	Initiated	X		
		Ms. Neiderhiser				x
		Mr. McDevitt	Seconded	x		

Payment Application #17 to GS Developers Inc in the amount \$21,057.00 PFAS Treatment Facilities at Wells 5 & 11 in Warrington Twp. He noted that this should be the final payment on this job. Upon a motion by member McDevitt, seconded by member Tenney, the payment was approved.

☐ Vote Record

			Yes/Aye	No/Nay	Abstain	Absent
x	Approved					
	Tabled	Ms. Nagel	x			
	Failed	Mr. Tenney	Seconded	x		
		Ms. Mengel		X		
		Ms. Neiderhiser				x
		Mr. McDevitt	Initiated	x		

Bills & Requisitions Approval:

Ms. Lezoche that there were no payments or activities out of the ordinary on the bill listings, recommending and requesting approval to pay and process all invoices, refunds, transfers, and to requisition funds, as presented.

- a. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 08/24/2023.**
- b. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 09/08/2023.**

Payment of the bills was then approved by the Board in accordance with the following roll call vote.

☐ Vote Record

			Yes/Aye	No/Nay	Abstain	Absent
x	Approved					
	Tabled	Ms. Nagel	x			
	Failed	Mr. Tenney	x			
		Ms. Mengel	x			
		Ms. Neiderhiser	x			
		Mr. McDevitt	x			

Draft Budget Presentation

Mrs. Lezoche next presented a Power Point summation of the upcoming 2024 budget. She and Mr. Bender presented an overview noting that the draft budget will be distributed shortly for review and comment, with formal approval scheduled for the October meeting.

Mrs. Lezoche first reviewed the 2021 long term financial plan, along with an update showing new data several recently bid large projects with significantly higher bid prices than anticipated, showing initial budgeted values versus actual bid prices, noting the total additional costs exceeded 5 Million Dollars. She also noted that general materials and supplies now cost about 40% more than in prior budgets.

The following budgetary issues were next presented and discussed:

- Prior BRIF balances and the prior use of reserve funds to stabilize rates
- Significant changes in revenues and expenditures projected over ten years
- Bond Indenture requirements to maintain a minimum 110% debt service ratio
- Standard and Poor's Bond Rating guidance to maintain at least 6 months operating revenues
- The \$1,000,000.00 per annum revenue reduction in 2024 and thereafter as PECO payment cease.
- The uncertainty of future grants, which have exceeded 12 million dollars over recent years.
- Projected capital projects to be funded, including water main replacements and tank painting.
- Potential rate increases equal to about 13 cents per day to the average residential customer.
- Discussion about annual small rate increases vs. periodic larger increases.
- Confirmed that sewer rates increase typically parallel water rates but are usually a bit less.
- Discussing the cost of taking credit cards and the possibility of limiting the fees we pay.
- Discussed how we can maintain our required reserve balances and debt ratio without service loss.

At the end of the presentation, both Mrs. Lezoche and Mr. Bender requested that the Board review the 2024 draft budget when received, and that they direct any questions about the budget to them during the month, so the issue can be answered or otherwise address in time for the budget approval meeting.

Mr. Bender noted that future rate increases will be inevitable on a more regular basis in the future as we have not reduced savings to the minimal acceptable level, unfunded mandates from the State and Federal regulators are continuing at a rapid pace, that we need sufficient funding to maintain and repair the water system on an annual basis, and there are no recent indications that the rising costs of materials and supplies will soon abate. He closed by stating that we need to address the rate issue now to avoid much larger rate increases later, noting that without action, we will face significantly reducing services.

The Board took no formal action on the budget or rates, pending a final version and staff recommendation.

Executive Directors Report:

Mr. Bender discussed the following:

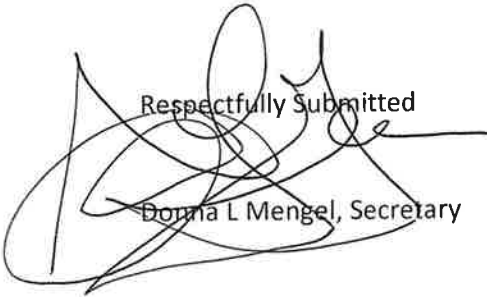
Reported that the Forest Park Joint Board Meeting was held on September 7th and both Boards approved the 2024 Forest Park Budget and proposed rates. At that time, the Joint Board discussed a possible 10 MGD expansion of the Forest Park facilities, including needed upgrades at the Point Pleasant facilities. He noted that preliminary cost estimates for the project indicate a cost between 80 – 100 Million Dollars, with a project term of about 5 years. He said that a comprehensive feasibility study of capacity and an overall business plan will be completed before proceeding with hard engineering, financing, and contracting for the proposed project. Both Mr. Bellitto of the NPWA and Mr. Bender explained the need for the additional 10 MGD (5 MGD each), noting that peak flows over the past several years have approached the Forest Park Plant capacity, as well as projected growth in the municipalities served over the next 10-15 years, including needed fire protection.

Mr. Bender further reported that Mr. Anthony Bonasera of East Latitude, LLC., was recently contacted about his ability and interest in serving as a consultant for the permitting and approvals for the expansion, noting that long term Consultant Howard Woods will not be available for the project. He said that he will be reviewing Mr. Bonasera's proposal with Mr. Bellitto before approval. The Board concurred.

Adjournment:

There being no further business to be brought before the Board; upon motion by member Mengel, seconded by member McDevitt, the business meeting was adjourned at 6:00 p.m.

All members present voted in favor.

Respectfully Submitted

Donna L Mengel, Secretary