

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

Minutes of 10/18/2023

Call to order:

A regular business meeting of the NWWA Board of Directors was held at the NWWA business office on October 18, 2023, beginning at 5:00 p.m., and called to order by Board Chair Nagel

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

Mr. McDevitt was excused.

Approval of Minutes:

The Board next considered approval of the Minutes of 09/13/2023. Upon a motion of member Mengel, seconded by member Neiderhiser, 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	x			
	Failed	Mr. Tenney	x			
		Ms. Mengel	Initiator	x		
		Ms. Neiderhiser	Seconded	x		
		Mr. McDevitt				x

Public Comment: None were present

Resolutions:

Motion to Approve Resolution 2023-13 amending the NWWA Savings Plan & Trust Plan (401k) to include Automatic Contribution Arrangement with an Employee Opt-Out option. Mr. Bender explained that the modification was recommended by the Pension Committee and stated that the intent is to encourage all new hires to participate in the pension plan. Upon a motion of member Tenney, seconded by member Neiderhiser, the motion was approved as presented, with member Mengel opposed.

Vote Record

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

Bids and Contracts:

Mr. Murphy explained the need to complete the AC pipe replacement project, noting significant cost savings by joining Upper Dublin Township and the BCWSA to split road restoration costs. Motion to Approve the Reimbursement and Indemnity Agreement with Upper Dublin Township for E1086N Commerce Drive Phase 3 project.

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

Vote Record

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

Solicitors Report:

Mr. Clarke asked for a brief Executive Session after the regular meeting to discuss a personnel matter, noting that no official action will be requested.

He then presented the following for approval:

A Deed of Dedication for E1081 for Krispy Kreme Doughnut Corp located at 1281 Knapp Road in Montgomery Twp was presented for approval. Upon a motion of member Mengel, seconded by member Tenney, the motion was approved as presented.

Vote Record

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

Engineers Report:

Mr. Bodley and Mr. Murphy presented the following engineering proposals for approval:

- Proposal for Water Main Replacement design at Gwynedale Way & Jarvis Lane Upper Gwynedd Twp amount not to exceed \$52,700.00. The project will ultimately replace a 300 ft section of the main where we have frequent water main breaks.
- Proposal for Water Main Extension design at Highland Ave Upper Dublin Twp amount not to exceed \$58,100.00-Installs 244 ft of water main and 14 service connections through the MIRIA grant program.
- Proposal for Tank Painting design and bidding for the Shetland Drive, Warrington Township, and the Water Tower Square Storage Tank in Montgomery Township, in an amount not to exceed \$79,000.00-We are contractually obligated to commence this work and complete it in a set time frame.
- Proposal for design and bidding for Tank Painting and Maintenance Welsh at the Upper Gwynedd Township storage tank, with an amount not to exceed \$64,000.00.
- Proposal for design and bidding for the Water Main Replacement project at Old Colonial Greene in Doylestown Township in an amount not to exceed \$66,900.00. The project replaces 2700 ft of existing PVC pipe, also adding individual connections and valves where needed.

Mr. Bender noted that all tanks being painted are proposed to include a paint color, LOGO, and lettering comparable to the recently completed Montgomery 3 tank.

Upon a motion of member Tenney, 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	Initiator/	x		
		Ms. Mengel	Seconded	x		
		Ms. Neiderhiser		x		
		Mr. McDevitt				x

Payment Application #7 for Bid Contract 830-21-09 Elm Ave Sewer Replacement Project was presented for \$171,196.41 for work completed to date on the project, payable to Joao & Bradley Construction Inc. Upon a motion of member Mengel, seconded by member Neiderhiser, the payment was approved as presented.

Vote Record						
			Yes/Aye	No/Nay	Abstain	Absent
x	Approved					
	Tabled	Ms. Nagel	x			
	Failed	Mr. Tenney		x		

	Ms. Mengel	Initiator	x				
	Ms. Neiderhiser	Seconded	x				
	Mr. McDevitt						x

Payment Application #6 for Bid Contract 530-20-11 Park Ave/Ferry Rd Water main installation project was presented for approval in the amount of \$689,190.42, for work completed to date, payable to Joao & Bradley Construction Inc. Mr. Bodley reported that the pavement milling process was to start on the 23rd, followed by final paving. Ms. Mengel asked how much was left to complete the project. Mr. Bodley stated that the remaining work included the milling and final paving and a new meter vault. All remaining work is expected to be completed by year's end.

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

☑ Vote Record

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

Operations Report:

Mr. Murphy reported that while busy, there was not anything out of the ordinary for the month. He advised the Board that the operating permits for the Montgomery 3 Tank have been applied for and that the tank is scheduled to commence with the initial filling and flushing on October 26. He next reported that the Ferry Rd/Park Ave project is proceeding on schedule, also noting that the milling and paving process is expected to start on the 23rd. Mr. Bender pointed out that Mr. Murphy and our engineers were successful in discussions with PennDOT, eliminating some unnecessary concrete replacement along Route 313, resulting in a significant reduction in costs for the project.

Mr. Murphy presented the following Payment Application for approval:

Payment Application #4, payable to Walter Brucker & Company, in the amount \$178,650.00 for work completed to date on the 1553 Easton Road project, as Bid Contract 573-22-01-G. Upon a motion by member Mengel, seconded by member Neiderhiser, the payment was approved.

☑ Vote Record

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

Payment Application #1 to Hirschberg Mechanical Inc. for completed HVAC work, in the amount of \$19,800.00 under Bid Contract 573-22-01-P1553, at 1553 Easton Road, Warrington Twp. Upon a motion by member Neiderhiser, seconded by member Tenney, the payment was approved.

☑ Vote Record							
x	Approved			Yes/Aye	No/Nay	Abstain	Absent
	Tabled	Ms. Nagel		x			
	Failed	Mr. Tenney	Seconded	x			
		Ms. Mengel		x			
		Ms. Neiderhiser	Initiator	x			
		Mr. McDevitt					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 process all invoices, refunds, transfers, and to requisition funds, as presented.

- a. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 09/14/2023**
- b. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 09/21/2023**
- c. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 09/29/2023**
- d. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 10/05/2023**
- e. **Ratification and processing of Bills, Refunds, Transfers and Requisitions List dated: 10/13/2023**

Payment of the bills was then approved by the Board with Mrs. Nagel and Mr. Tenney abstaining on items 038312 and 038303 on the check run dated October 13, in accordance with the following roll call vote.

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

2024 Budget proposal.

The Consulting Engineer's Certificate of Approval for the 2024 Budget was distributed to the Board.

Mr. Bender reviewed the proposal, noting adherence to the NWWA long-term financial plan and also pointing out that although we have incurred significant increases of up to 40% in materials and supplies and in most construction costs over the past several years, the budget proposes only a 15% increase in water rates and fees. He further explained that our typical retail customers using about 200 GPD will have a water consumption rate increase of about 13 cents per day.

Ms. Mengel asked if the 15 % increase would be sufficient to sustain all future increases in operating expenses, with Mr. Bender noting that we will need to review and update the future budgetary projections annually along with the proposed budget and that we will make recommendations for necessary rate adjustments each time they are needed. He stated that if supply chain issues do not abate, and prices stabilize, future rate increases will likely be required in order to maintain our bond ratings and legal compliance with bond indentures, but that staff will work to keep any future increases to a minimum. Mr. Bender also noted that even with the proposed increase, we will still have one of the lowest water rates in the region and will remain at only about 50% of the privately held, for-profit water suppliers.

Chair Nagel inquired why we traditionally have used CPI to project future costs and wage increases and not COLA. Mr. Bender stated that he thought that COLA was used by the Social Security Administration as part of a formula used to determine future Social Security benefits, whereas CPI was customarily used to project increases in goods, services, and household expenses, also noting that he will investigate the nuances between the two methods and advise the Board of future recommendations.

After thanking Mr. Bender, Mrs. Lezoche, and all staff for their efforts to prepare and present a balanced budget, upon motion by member Neiderhiser, seconded by member Mengel, the proposed 2024 Budget, rates, and fees, were approved as presented, with the Executive Director and administrative staff authorized to take all necessary actions to implement the 2024 budget and adjust the official fee schedule.

☑ Vote Record

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

The above referenced motion included:

1. Acceptance of the **Consulting Engineer's Certificate - Approval of Operating Budget** - Fiscal year 2024.
2. Approve the **Operations Budget for Fiscal Year 2024**, with a year ending December 31, 2024, including:

Operating Revenues of	\$ 29,752,379
Non-Operating Revenues of	\$ 3,424,303
Total Revenues	\$ 33,176,682

Operation Expenses of	
Total Expenses	\$ 21,347,660

Total Debt Service	\$ 6,980,308
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Net Change in cash	\$ 4,848,714
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Depreciation/Amortization	\$ 6,300,000
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3. Approval of the **Capital Improvements Budget for 2024 of \$ 14,116,909**
4. Authorizing the Finance Director to allocate Cell Antenna/Rental Revenues at a 40/60 ratio between the Water and Sewer revenue accounts.
5. Authorizing staff base salary/wage adjustments of 6.2%, also approving the budgeted performance incentive payouts.
6. Authorizing the Executive Director and Finance Director to take all actions necessary to implement this approved budget and financial plan.

Executive Directors Report:

After thanking the Board for the 2024 budget approval, Mr. Bender discussed the following:

- Noted that the 1553 Easton Road Construction project is scheduled to be completed in the spring of 2024, after which time we will have an open house.
- We have sent a letter to the ANG requesting a modification to the existing settlement agreement to include additional time and funding for the needed for installation of the secondary filters, and to provide for reimbursement of future filter system operating and maintenance costs.

Mr. Bender requested that the Board ratify the submission of the request for a revised ANG funding Agreement and that they authorize the Chair and Executive Director to execute any required documents needed to finalize any approved amendments.

Upon a motion by member Tenney, seconded by member Mengel, the request was approved

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

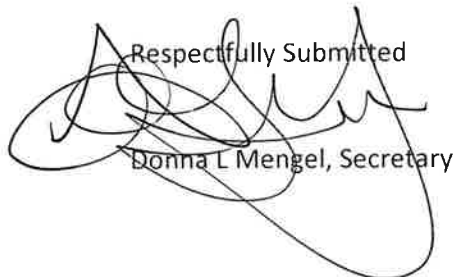
- Mr. Bender advised that a Reserved Capacity letter was sent to the BCWSA asking if they projected needing any additional water from the Forest Park Plant in future years.
- He next advised that at a recent meeting with several Bucks County municipalities, there was increased interest in reserving future water capacity at Forest Park, explaining the general terms being considered. Mr. Bender and Mr. Clarke were asked for guidance on the appropriate interest rate to be charged, if any.
- He advised that the Horsham Township WSA Capacity Purchase Agreement (800,000 GPD) has been tentatively scheduled for the November business meeting.
- That we had requested and received approval from the MIRIA Grant Director for a 90-day extension to our grant approval for completion of the Montgomery 3 Tank project, through March 31, 2024.
- Mr. Bender requested authorization to research and make application of an additional grant through Act 71, Local Share Account Statewide program, being administered by the DCED, which would be used, if approved, for future water tank maintenance, repairs and painting, various improvements to the water distribution, and possibly improvements to our public facilities to improve handicapped access and ensure ADA compliance.

Adjournment:

There being no further business to be brought before the Board; upon motion by member Neiderhiser, seconded by member Mengel, the business meeting was adjourned at 5:55 p.m.

All members present voted in favor.

Respectfully Submitted



Donna L Mengel, Secretary