

Northampton, Bucks County, Municipal Authority

Minutes of the Public Meeting held on June 6, 2012

Members Attending: Antonio Albano, Chairman
John T. Jim, Vice Chairman
Edward W. Farling III, Treasurer
Donald S. George, Secretary
Charles Rehm, Assistant Secretary-Treasurer

Others Attending: Edward Rudolph, Esquire, Solicitor
Christopher S. Walker, P.E., Pennoni Associates Inc., Consulting Engineer
Debra E. Wirtz, Stenographer/Executive Assistant

Mr. Albano, Chairman, called the meeting to order at 7:30 p.m.

1. Pledge of Allegiance

Mr. Albano led the Pledge of Allegiance and requested a moment of silence for our service men and women in harm's way.

2. Chairman Albano announced that on May 14th the Board and certain staff members met for iPad training.

3. Approval of Minutes from May 2, 2012

A motion (Jim-Farling) was made adopting a resolution to approve the Minutes from May 2, 2012 passed with 5 ayes.

3. Executive Director's Report

• Review of Agenda:

Agenda Item #5	Check Requisitions/Accounts Payable
Agenda Item #6	Annual Manhole Rehabilitation Contract
Agenda Item #7	Keith Boyd Land Development has been deferred
Agenda Item #8	Six Month Review –Executive Director
Agenda Item #9	Maintenance Report – April 2012
Agenda Item #10	Consumer Confidence Report - 2011
Agenda Item #11	PMAA/Hershey Fall Conference
Agenda Item #12	Engagement of Professional Services–Russell F. McIntosh/HGR
Agenda Item #13	PMAA: Delegate Designation
Agenda Item #14	Replacement of pump for Well #7
Agenda Item #15	Replacement of pump for Well #5

BCWSA:

Mr. Zeuner commented that BCWSA has implemented a 10% sanitary sewer rate increase effective January 1, 2012. The increase was not budgeted nor has the administration made a recommendation to approve the request. The Authority has engaged the services of Keystone Alliance Consulting to assist the Authority in analyzing the data provided to the Authority by BCWSA. Sanitary Sewer Service expense to BCWSA is the largest line item in the Authority operating budget. The Authority has set up an internal escrow account for the funds in question on a monthly basis. Thus, our YTD P&L reflects this expense.

NORTHAMPTON TOWNSHIP:

The Authority has ongoing concerns related to compliance to Township Ordinance No. 396. There are 22 properties being questioned by the Authority of their compliance to the Ordinance. The Ordinance governs the lawful nature of owning or occupying a property of which a building is required to connect to the public water supply. The Authority has also sought action by the Township to record documents at the County Recorder of Deeds Office for each TMP in sewer district No 3 that has not connected to the sanitary sewer, to insure and provide a trigger of compliance when there is a real estate transfer. As of May 23rd 2012, twenty nine (29) properties in Phase I and one hundred ninety seven (197) in Phase II require some sort of trigger or recording instrument. We consider both issues important and outstanding. The townships attention to these matters of concern have been ongoing.

SPRING HYDRANT FLUSHING:

Spring Hydrant flushing was completed on time with no complications.

ACE (AWWA) CONFERENCE:

Mr. Zeuner announced that he will be out of the office the week of June 10th to attend the ACE (Annual Conference and Exposition) of the American Water Works Association in Dallas, Texas. He will be attending an educational forum to obtain a "AWWA Public Official Certification".

Mr. George asked about the status of Northampton Township pulling the videos that are incorrectly titled. Mr. Zeuner stated that there is no update.

4. Citizens Concerns

On May 2, 2012 the Authority adopted Resolution No. 2012-1133; A Resolution of the Northampton, Bucks County Municipal Authority, Conduct of Meetings of the Board, Pursuant to the Commonwealth of Pennsylvania Sunshine Act 65 PA C.S. chapter 7.

The Authority desires to conduct its business affairs and meetings in compliance with the Act and in a professional manner.

There is a sign-up sheet for Citizens Concerns available for anyone who wishes to address the Board.

Thank you for your cooperation.

Mr. Roger Bushnell 91 Hunt Drive asked about ongoing litigation (Jury of View), Mr. Albano stated we could not discuss matters of litigation. Mr. Bushnell expressed concerns regarding Mr. George's comments at April 4, 2012 meeting regarding the Townships DEP's grant application.

Mr. John Grace asked if there were any plans to extend water lines to MacFarland Drive, Ivyland

5. Check Requisitions / Accounts Payable

A motion (Farling-Albano) adopting a resolution to approve Revenue Fund Requisition No. 1976 dated May 12, 2012 in the amount of \$39,939.71, Revenue Fund Requisition No. 1977 dated May 24, 2012 in the amount of \$452,315.73, Revenue Fund No 1978 dated June 6, 2012 in the amount of \$584,398.30 and BRI No 518 in the amount of \$31,704.17 passed with 5 ayes.

The major items paid under Requisition No. 1976 were as follows: Courier Times - \$1,964.70; LRM Inc. - \$2,220.00; PECO - \$2,706.87; Rudolph Clarke & Kirk LLC - \$5,004.00; JH Shanahan - \$1,840.00; Teamsters Health and Welfare - \$17,262.28; and a \$70,000.00 payroll transfer. The major items paid under Requisition No. 1977 were as follows: First Nat'l Bank of Newtown - \$439,196.31; Grainger - \$1,371.48; The Hartford - \$3,418.18; Karl Hops - \$1,622.99; Robin Krenzel - \$1,950.00; - The major items paid under Requisition No. 1978 were as follows: Aquapro - \$3,550.00; BCWSA (Sewer) - \$384,444.96; Chet's Printing \$3,156.00; Flow Assessment - \$4,900.00; Independence Blue Cross - \$19,567.43; Karl Hops Inc. - \$1,768.92; PECO - \$21,716.24; Quality Control Inc. - \$1,141.00; Rudolph Clarke & Kirk LLC - \$20,096.16; JH Shanahan Inc - \$2,243.50; Siemens - \$4,625.80; Southampton Post Office - \$5000.00; TD Card Services - \$4,160.00; Univar USA Inc. - \$1,147.50; Upper Southampton Municipal Authority - \$54,627.00 and a 70,000.00 payroll transfer, passed with 4 ayes, Mr. Jim abstained.

6. Award Contract No. 2-S-A-12 Annual Manhole Rehabilitation Project

A motion (Jim – Farling) was made awarding the Annual contract 2-S-A-12 for Manhole Rehabilitation to Abel Recon of Mountville, PA based upon their bid in the amount of \$120,557.00, base bid with alternate (Items 201-207) for a total of \$140,626.00, their bid received on May 23, 2012, passed with 5 ayes for the full contract amount of \$194,866.00.

7. Kelth Boyd Land Development & Escrow Agreements

Deferred

8. Six Month Review (Executive Director Presentation)

Mr. Zoumer provided a report to the Board the highlights and challenges of the first six months of our fiscal year. The first 6 months of this year has provided us with many unexpected challenges associated with extreme ground water levels and their impact on sanitary sewer flows and customer demand.

YTD revenues are down compared to plan. Since the majority of our customers are both water and sewer customers, sanitary sewer charges to our rate payers is based upon water consumption. The charges for sanitary sewer service to BCWSA is measured on actual sewer flow and is greatly impacted by ground water conditions.

Last summer we had an unusually green summer with limited irrigation by our ratepayers. It is our hope that water consumption during summer months will trend towards previous years. We do not expect lawn irrigation to ever reach the level that was common prior to the economic downturn.

We are not seeing an increase in water consumption due to two primary factors:

- Consumer Demand / Challenging economic nature of the world we live
- Corrective Action / Leak Detection Communication

Approximately 1 ½ years ago, the Authority began reading customer water meters on a monthly basis vs. a quarterly basis. This was only made possible when we converted to the Neptune R900i Radio Read Meter Technology. When utilizing the prior meter technology we read meters on a quarterly basis with a resolution of 1,000 gallons. Using the new meter technology we can read in 1/10 of a gallon increment. We currently read monthly and bill quarterly. Since we began reading on a monthly basis, we have been proactive in informing our customers of intermittent and continuous leaks. The meters electronically store data for a 35 day period: they read and store data 96 times per day (every 15 minutes).

An intermittent leak is defined as water flow at least 50 out of 96 periods per day. A continuous leak is defined as 96 times out of 96. Surprisingly, 9% of all water customers have intermittent leaks and 3% of all customers have continuous leaks.

The Authority has been proactive in informing our customers of detected leaks. This conservation initiative reduces waste and is environmentally responsible, but it does have an adverse impact on the Authority. Realistically, if we were a for-profit enterprise we probably would not be as proactive.

For the 1st five months of the year, we have been adversely impacted by extreme elevated record setting water table which resulted in elevated sanitary sewer flows. Charts have been prepared that depict the impact of elevated flows as on sanitary sewer processing costs. The correlation and trends between ground water and sewer flows is remarkable. Mr. Zeumer provided historical charts of ground water and compared them with the trend over the last nine months and its impact on sanitary sewer flows.

Other than elevated sanitary sewer flows and costs associated with those flows, most budget line items are in line with expectation. Due to these high flows our YTD deficit before depreciation \$530K. On the bright side, April showed a positive \$25K income. Ground water levels are continuing to reduce, which should have a positive impact on sanitary sewer flows and economics.

Effective January 1st BCWSA, raised our sanitary sewer rates 10%. The Authority has not agreed to or paid the requested increase nor was it budgeted when we prepared our 2012 budget. Sanitary sewer fees paid to BCWSA is

the highest single expense item in our operating budget. Our unaudited YTD financial results takes into account the increase in expense from BCWSA, by setting up a funded escrow account. YTD we have escrowed of \$145K. The Authority has also reduced administrative head count by nearly 10% effective June 1, 2012 by the retirement of an employee. There is no plan to hire any new administrative staff at this time. We have reduced administrative staff by +30% over the least several years.

9. Maintenance Report - April 2012

Mr. Zeuner provided highlights from the April 2012 Maintenance Report. No extraordinary issues were noted.

10. Consumer Confidence Report (2011)

Mr. Zeuner stated that the Authority had no violations in 2011 and that the report was printed on recycled paper with a soy based ink, the CCR was mailed to all Authority water customers on June 5, 2012. Compliance Certifications were provided to the respective agencies in accordance with regulations.

11. PMAA/Hershey Fall Conference

Mr. Zeuner will be attending the Annual Conference in Hershey, PA Any Board members wishing to attend should let Debi Wirtz know as soon as possible.

12. Engagement of Professional Services – Russell F. McIntosh/HRG

A motion (George – Farling) was made to engage the professional services of Mr. Russell F. McIntosh of the firm Herbert, Rowland and Grubic Inc. of Harrisburg relating to matters of litigation, as an expert of sanitary sewer tapping fees.

13. PMAA Delegate Designation

Tom Zeuner and Antonio Albano will serve as Voting Delegate and Alternate Delegate respectively.

14. Replacement of Well Pump – Well NO. 7

A motion (Albano – Farling) was made to award purchase order M5933 to F.J. Bollinger & co. for replacement of public well No. 7 pump and motor in the amount of \$12,465.00 in accordance with their proposal dated May 15, 2012 passed with 5 ayes.

15. Replacement of Well Pump – Well NO. 5

A motion (Albano – Jim) was made to award purchase order M5932 to F.L. Bollinger & co. for replacement of public well No. 5 pump and motor in the amount of \$9,825.00 in accordance with their proposal dated May 15, 2012 passed with 5 ayes.

16. Videos of NBCMA – A motion (George – Farling) was made instructing the solicitor to send a letter to the Northampton Township manager expressing our continued concern regarding the titling of the Authority videos on the Township website.

17. Pennoni Associates contract status

Mr. Walker provided an update and timing of the paving restoration contract to the Board and public.

THERE BEING NO FURTHER BUSINESS TO DISCUSS, MR. ALBANO ADJOURNED THE MEETING AT 8:36 P.M.