

Northampton, Bucks County, Municipal Authority

Minutes of the Public Meeting held on January 2, 2013

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

Others Attending: Edward Rudolph, Esquire, Solicitor
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. Executive Directors Report

The "Authority" Newsletter: Mr. Zeuner stated that the latest edition of the "Authority" newsletter has been published and distributed to all Authority ratepayers. It will also be posted on the Authority website. Additional copies have been provided to Northampton Township administration for community availability. The Bergey Creative Group of Harleysville, PA did an excellent job in the creation of the newsletter and responsive mailing to our valued ratepayers. He also stated that they were a delight to work with on this project. The Authority has numerous favorable comments in response to the publication from the community.

Water Quality: Mr. Zeuner stated that now that we are in a 2013 water quality reporting period, Mr. Zeuner reported 2012 does not have any known water quality issues, violations or corrective actions required for 2012. To our knowledge, the Authority is in compliance with all reporting and regulatory limits established by the Pennsylvania Department of Environmental Protection (PA DEP) and the United States Environmental Protection Agency (EPA) for Calendar Year 2012. The Authority's Consumer Confidence Report (CCR) will be published and distributed in June 2013 as required by law.

Authority Bidding Limit Amendment: Mr. Zeuner stated that we have been advised by the Authority's solicitor Edward Rudolph, that effective January 1, 2013, the following changes are in effect in regard to the Public Bidding Law:

Contracts for the purchase of supplies, materials and most services (construction, reconstruction, repair or other work) which exceed \$18,900 must be advertised and competitively bid. Contracts for purchases below this amount, but in excess of \$10,200, require solicitation of written or telephonic quotations from at least three sources, if available. These amounts have been increased from \$18,500 and \$10,200, respectively, for Year 2013.

These bidding thresholds have been increased as a result of amendments to the Public Bidding Law that took effect on January 1, 2012. Those amendments not only increased the prior bidding thresholds from \$10,000 and \$4,000, respectively, but also instituted an annual adjustment formula for each succeeding calendar year. The adjustment formula is based upon annual changes in the Consumer Price Index and other statistical factors. The official calculation of the adjusted bidding/quotation thresholds is performed by the Pennsylvania Department of Labor and Industry, and published in the Pennsylvania Bulletin prior to January 1st of the effective year. The above amount applicable for 2013 were published on December 15, 2012

This limited exceptions to the requirement for public bidding or price quotations set forth in the statute remain as before, and still do not apply in most cases. The exception for emergency purchases has never been expressly stated in the statute, but is a judicial creation that applies only in exceptional circumstances that should be reviewed on a case-by-case basis. (For example, Courts still do not recognize an “economic emergency.”)

Under the Law, the Department of Labor and Industry is required to calculate the bidding/quotation thresholds for each subsequent calendar year between October 1st and November 15th of the preceding years. In other words, the thresholds for 2014 will be calculated between October 1st and November 15th of 2013, and published in the Pennsylvania Bulletin prior to January 1, 2014.

Public Meeting Schedule: Mr. Zeuner stated that when the Authority board adopts the meeting schedule for the 2013 Calendar Year, the Executive Director is suggesting that we also announce simultaneously the reorganization meeting for 2014 as January 8, 2014. This amendment will save the Authority advertising costs for the Re-Organization/General Business of the Authority meeting as required under the Municipal Authorities Act.

Alternative Energy Proposals: Mr. Zeuner stated that the Authority has posted a Request for Proposal (RFP) for the installation of a solar energy system for installation at the Authority Administration Facilities. The RFP was published on December 10, 2012 with “Letter of Intent to Propose” required by December 21, 2012 from providers. The Authority received one (1) “Letter of Intent to Propose” in response to our RFP from Moore Energy, Southampton, PA. A proposal is due on January 11, 2013 with negotiations for follow.

Teamster Local 107 Negotiations: Mr. Zeuner stated that the leaders of the Teamsters Local 107 along with their legal counsel met with the Executive Director; Thomas A. Zeuner and Neil A. Morris (Labor Council for the Authority / Archer & Greiner P.C.) to discuss the new Collective Bargaining Agreement (CBA) with the Union on December 28, 2012. .

Northampton Township Ordinance 396: Mr. Zeuner stated that the Authority administration has NOT received any verbal or written updates on the Township’s intent or progress on the compliance issues raised by this Authority related to Township Ordinance No. 396. This remains an outstanding concern of this Authority.

Risk Control “Glatfelter Insurance Group“: On December 3, 2012 our insurance liability carrier performed a risk assessment of the Authority operations. There were several minor recommendations for consideration by the Authority, which the administration will be addressing .The analysis and assessment determination by the letter authored by Mr. Daniel Mahoney, Vice President , Risk Control Services of the Glatfelter Insurance Group incorporated a very favorable quote stating; “ *The Authority has invested in significant system upgrades over*

the past few years, and it is evident that there are risk management procedures, equipment, and staff in place to enhance the reliability of the public water and sanitary sewer service provided to the community.”

3. Citizens Concerns

Mr. Jerry Bass of Keenan Lane expressed comments regarding Ordinance 396.

Mr. Bill O’Neill of Rocksville Road expressed comments and concerns regarding the sewer rate increase and residents with private wells. Mr. Zeuner explained the option of installing a meter on the wells of those customers who wish to be billed based on water usage vs. a flat rate.

4. Re-organization of the Board

Mr. Farling nominated Mr. Albano to serve as the Authority’s temporary Chairman for the re-organization of the Board. Mr. Jim seconded and the nomination passed with 5 Ayes.

Mr. Jim nominated Mr. Albano to serve as the Authority’s Chairman for the calendar year 2013. Mr. George seconded and the nomination passed with 5 Ayes.

Mr. Albano nominated Mr. Farling to serve as the Authority’s Vice Chairman for the calendar year 2013. Mr. Rehm seconded and the nomination passed with 5 ayes.

Mr. George nominated Mr. Rehm to serve as the Authority’s Treasurer for the calendar year 2013. Mr. Albano seconded and the nomination passed with 5 ayes.

Mr. Albano nominated Mr. Jim to serve as the Authority’s Secretary for the calendar year 2013. Mr. George seconded and the nomination passed with 5 ayes.

Mr. Farling nominated Mr. George to serve as the Authority’s Assistant Secretary-Treasurer for the calendar year 2013. Mr. Albano seconded and the nomination passed with 4 ayes, with Mr. George abstaining/

A motion (George-Albano) to appoint Edward Rudolph, Esquire of the firm Rudolph, Clarke & Kirk, LLC of Trevoise, PA as the Authority Solicitor for 2013 passed with 5 ayes.

A motion (Albano-Rehm) to appoint Christopher Walker, P.E., of the firm Pennoni Associates Inc. of Doylestown, PA as the Authority’s Consulting Engineer for 2013 passed with 5 ayes.

A motion (George-Rehm) to appoint Manko, Gold, Katcher & Fox LLP of Bala Cynwyd, PA as the Authority’s Environmental Special Counsel for 2013 passed with 5 ayes.

A motion (Farling-Jim) to appoint Neil A. Morris, Esquire of Archer & Greiner, PC of Philadelphia, PA as the Authority's labor counsel for 2013 passed with 5 ayes.

A motion (Albano-Farling) to appoint Jennifer M. Caron, Esquire of Eckert Seamans, Cherin & Mellot LLC of Harrisburg, PA as Bond Counsel for 2013 passed with 5 ayes.

A motion (Farling-Rehm) to appoint the Board Members as Trustees for the administration employees' pension plan with Principal Financial Group for 2013 passed with 5 ayes.

A motion (George-Rehm) to appoint the Board Members as Trustees for the AIG/VALIC deferred pension plan for 2013 passed with 5 ayes.

A motion (Farling-Albano) to appoint GMG Insurance Agency and Bonargo Insurance Associates Inc. as the Authority's insurance brokers of record for 2013 passed with 5 ayes.

A motion (George-Jim) to appoint W. Bruce Beaton Co. Inc. as the Authority's Liability Insurance brokers of record for 2013 passed with 5 Ayes.

A motion (Albano-Rehm) to appoint Public Financial Management (PFM) of Harrisburg, PA as the Authority's Financial Consultant for 2013 passed with 5 ayes.

A motion (George-Farling) to appoint Russell McIntosh of Herbert, Rowland and Grubic Inc. of Harrisburg, PA as Consultant for Special Projects for 2013 passed with 5 ayes.

A motion (Albano-Jim) to appoint Thomas Zeuner as the Authority's Executive Director for 2013 passed with 5 ayes.

6. Setting of Meeting Schedule for 2013

A motion (Albano-Rehm) to approve the Authority meeting schedule for 2013, authorize the administration to advertise and post the schedule on the Authority website passed with 5 Ayes. Mr. Zeuner was tasked with finding alternative ways to advertise the meeting schedule.

7. Approval of the Minutes of December 5, 2012

A motion (Jim-Albano) was made to approve the Minutes from December 5, 2012 passed with 5 Ayes.

8. Check Requisitions / Accounts Payable

A motion (Rehm-Farling) adopting a resolution to approve Revenue Fund Requisition No. **1992** dated December 19, 2012 in the amount of \$236,383.55, BRI No. **527** dated December 19, 2012 in the amount of \$17,588.45, Revenue Fund Requisition No. 1993 dated January 2, 2013 in the amount of \$438,524.02 and BRI No. 528 dated January 2, 2013 in the amount of \$15,178.00 passed with 4 ayes, Mr. Jim abstained.

The major items paid under **Requisition No. 1992** are as follows: Archer & Greiner PC - \$2,475.00; Bee Bergvall & Co. - \$5,460.00; Chet's Printing - \$1,748.00; Flow Assessment - \$4,900.00; Guardian - \$2,947.43; Harris Computer Systems - \$9,474.63; Manko, Gold, Katcher & Fox - \$8,146.45; Pacifico Marple Ford - \$17,899.00 & \$24,798.00; PECO - \$17,453.13; Pennoni - \$16,619.33; PMAA - \$2,300.00; Quality Control - \$8,294.20; Rick's Expert Tree Serv. - \$2,175.00; JH Shanahan - \$6,790.00; Spectrum Letterbox - \$3,804.32; Teamsters - \$14,796.24; United Laboratories - \$4,469.86; and a \$70,000.00 payroll transfer.

The major items paid under **Requisition No. 1993** are as follows: Bank Direct Capital Fin. - \$2,519.80; BC Group - \$5,682.00; BCWSA - Sewer - \$314,260.80; W. Bruce Beaton Co. - \$7,555.00 Ellen Di Stefano - \$1,200.00 Anita Dorfman - \$1,052.39; Independence Blue Cross - \$11,661.05; PECO - \$9,948.22; Rick's Expert Tree Serv. - \$1,800.00; Rudolph Clarke & Kirk LLC - \$4,461.75; JH Shanahan - \$2,015.00 and a \$70,000.00 payroll transfer.

BOARD COMMENTS

Mr. George spoke of his appreciation for being provided the opportunity of serving on the Authority board for the last twenty (20) months. He reflected on the key accomplishments during that tenure and expressed concern over the repeated false allegations and misinformation about the Authority by others. Mr. George expressed great pride in the accomplishments of the Authority during his tenure.

Mr. Farling commented on the Authority's response to the Hurricane Sandy, and the variety of water driven sump pumps available to residents with public water.

Mr. Jim commented on his pleasure serving on the Board for another year, and wished everyone a Happy New Year.

Mr. Zeuner thanked the board for the last year and thanked Mr. George for his comments.

Mr. Albano made comments that the Authority newsletter, mailed to all ratepayers, explained that the necessity for the sewer rate increase was in response to uncontrollable costs to the Authority by others.

THERE BEING NO FURTHER BUSINESS TO DISCUSS, MR. ALBANO ADJOURNED THE MEETING AT 8:32 P.M.