

Northampton, Bucks County, Municipal Authority

Minutes of the Public Meeting held on April 15, 2015

Members Attending: Edward Farling III, Chairman
Vincent Deon, Vice Chairman
Michelle Held, Treasurer
John T. Jim, Secretary
Charles Rehm, Assistant Secretary-Treasurer

Others Attending: Thomas A. Zeuner, Executive Director
Edward Rudolph, Esquire, Solicitor
Noah Marlier, Esquire, Solicitor
Lisa Morrison P.E., Pennoni Assoc.
Eileen Silver, Northampton Township Liaison
Debra Wirtz, Executive Assistant

Mr. Farling, Chairman, called the meeting to order at 7:35 p.m.

1. Pledge of Allegiance

Chairman Farling 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

Mr. Zeuner gave an update on the following topics:

SUPPLEMENTAL AGREEMENT / BCWSA

As the Board is aware the deadline for completing the Supplemental Agreement between BCWSA and NBCMA was March 31, 2015. Unfortunately, NBCMA and BCWSA were unable to come to terms by the deadline. The Authority will continue to seek resolution as a high priority through our environmental council MANKO GOLD KATCHER FOX LLP. Documents will be reviewed in executive session in two weeks.

MOODY's Rating

On March 23, 2015 MOODY's Rating Service re-rated the Authority to A2 on the Authority's water and sewer revenue bonds. The downgrade reflects the weaker debt service coverage ratio over the last several years.

The following from the Moody's report summarizes the current basis for the rating reduction:

The Authority is subject to rate increases from the Bucks County Water and Sewer Authority (BCWSA) and expenditures have been continuously increasing because of these rate increases. The Authority does have the ability to raise customer rates, and very often it has passed the increased cost to customers. However, the Authority is currently in dispute with BCWSA to determine if the 2012 rate increases are justified. The Authority did increase customer rates by 25% in 2012 to partially offset the

BCWSA rate increase; however, the Authority is refraining from increasing rates further the dispute is settled. The Authority is not paying the full amount of the 2012 increase to BCWSA but is accruing the full amount charged in its financial statements, and has set aside \$1.7 million in a restricted fund.

Favorably, the Authority's water and sewer bonds have a debt service reserve fund that is cash-funded a maximum annual debt service. The Authority's \$8.6 million of water and sewer bond debt when compared to water and sewer revenue is low.

The last time the Authority was rated was 2005.

CHLORINE LEAK WELL # 2- 363 Twining Ford Rd.

On the evening of April 10, 2015 the Authority's water department on-call staff received an alarm for a chlorine gas leak at well # 2 located at 363 Twining Ford Rd. They responded and discovered chlorine gas leaking from the fusible plug on the cylinder, which is a safety valve designed to melt when dangerous temperatures are reached in a closed vessel. The leak was contained by using an emergency repair device which seals around cylinder valve. The fusible plug melted as a result of a malfunctioning unit heater inside the chlorine room.

On Saturday afternoon, April 11, 2015, the on-call staff responded to an intrusion alarm for well # 2 and discovered chlorine gas leaking from the emergency repair device on the cylinder. The staff used a second emergency repair device designed to clamp around the fusible plug to seal the leak. A bad rubber gasket on the first repair device is believed to be the cause of the second leak. Univar, the chlorine gas supplier, was contacted and are scheduled to remove the cylinder from the well house this week.

Richard Schaeffer, Paul Angelini, Charles Campbell and Jeff Greenwood, who responded to the emergencies, did an exemplary job and are to be commended for all of their efforts during a very difficult situation.

Frank Fenton of Northampton Township Emergency Services was kept apprised of the situation over the weekend. The well is currently shut down. Due to the corrosive nature of chlorine gas an assessment of the electrical and electronic components at the well house will be completed. There will be no impact on our ability to supply water due to this situation. The Authority's insurance carrier has been notified in the event of a claim needed. The Board will be updated at the next meeting. A note will be placed in each of the employees who responded on their exemplary handling of the incident.

UPPER SOUTHAMPTON SEWER AUTHORITY

The Authority is in discussion with the Upper Southampton Authority relating to billing to NBCMA for sanitary sewer service from an EDU basis to a metered flow formula. We will be reviewing the technical and commercial aspects of such a change in methodology and report back to the Board.

FINANCES (YTD 11/1/2014 - 2/28/2015)

P & L results through the end of February show favorable results compared to budget primarily due to lower than expected sanitary sewer flows for the period November 2014 through February 2015.

PMAA REGION I DINNER

The Pennsylvania Municipal Authority's Association is holding its Region No. 1 Dinner in King of Prussia, PA on Thursday April 16, 2015. Jeff Greenwood and Vincent Deon have volunteered to be drivers to and from the event for those who have confirmed to attend.

SPRING HYDRANT FLUSHING

The Spring Hydrant flushing program will begin on April 21, 2015 and should be completed by May 15th, 2015 weather permitting. The schedule has been advertised in the Advance Newspaper and posted on the Township and Authority websites.

ARCHITECTURAL SERVICES

Architectural Services needs assessment (program space requirements) has been completed by Phillips & Donovan Architects, LLC. The original site location between Well No. 17 and the Northampton Township Senior Center has significant challenges in order to be developed (steep slopes and wetlands). The land in the rear of Well No. 17 and the Authority building is now being considered for the project. A wetland assessment is being completed to verify no challenges exist.

MUNI-LINK CONVERSION

The Authority has successfully completed the conversion from Harris DOS based software to the Muni-link Cloud based platform. As with any conversion a learning curve is required. The new system has been embraced by the administration. Over the next several months we will be converting from the paper based "work order" system, to a digital format where our technicians will be utilizing electronic tablets for "work orders" with automatic uploading to our database.

3. Citizens' Concerns

No citizen's wished to address the Board.

Chairman Farling noted that Mr. Zeuner will most likely be nominated by his peers as the new director of PMAA Region 1 (Pennsylvania Municipal Authority's Association) at the spring meeting noted above. Mr. Farling stated that this is a great personal honor for Mr. Zeuner and a recognition of the job he has done here in Northampton from those who know the business and that Northampton, Bucks County, Municipal Authority is consistently in front of issues facing all of our authorities and asked the Board to recognize Mr. Zeuner for this accomplishment. Mr. Zeuner thanked the Board.

4. Approval of the Minutes of March 4, 2015

A motion (Jim-Farling) made to approve the Minutes of March 4, 2015 passed with 4 ayes, Mr. Rehm abstained.

5. Check Requisitions / Accounts Payable

A motion (Held-Deon) adopting a resolution to approve **Revenue Fund Requisition No. 2051** dated March 18, 2015 in the amount of \$128,590.55 passed with 5 ayes.

The major items paid under **Requisition No. 2051** are as follows: Flow Assessment - \$8,025.00; Herbert, Rowland & Grubic - \$5,503.01; Independence Blue Cross - \$11,588.17; Line Systems - \$1,007.20; Manko Gold Katcher & Fox - \$2,126.00; PECO - \$6,183.97; JH Shanahan - \$1,200.00; Teamsters Health & Welfare - \$16,829.76 and a \$70,000.00 transfer for payroll.

A motion (Held-Deon) adopting a resolution to approve **Revenue Fund Requisition No. 2052** dated March 31, 2015 in the amount of \$904,374.51 passed with 5 ayes.

The major items paid under **Requisition No. 2052** are as follows: BCWSA – Sewer - \$411,197.36; BCWSA - Water - \$168,532.48; Ellen Distefano - \$3,000.00; Guardian - \$3,307.66; HD Supply Waterworks - \$2,587.42; Karl Hops Inc. - \$1,345.83; Link Computer Corp. - \$1,268.30; Manko Gold Katcher & Fox - \$3,516.67; PECO - \$17,540.32; Pennoni Assoc. - \$62,479.78; Phillips & Donovan Architects - \$1,005.10; PMAA UC Fund - \$4,910.87; Rudolph Clarke LLC - \$19,464.02; AC Schultes Inc. - \$8,472.00; Univar USA Inc. - \$1,244.50; Upper Southampton MUA - \$54,627.00; a \$70,000.00 transfer for payroll, and \$64,548.89 BCWSA disputed.

A motion (Held-Deon) adopting a resolution to approve **Revenue Fund Requisition No. 2053** dated April 15, 2015 in the amount of \$134,852.11 passed with 5 ayes.

The major items paid under **Requisition No. 2053** are as follows: B. Bergvall & Co. \$1,000.00; Best Line Equipment - \$1,886.19; CKS Engineers Inc. - \$2,956.00; Flow Assessment - \$4,900.00; Hach Co. - \$1,407.78; Lookfirst Technology LLC - \$1,327.11; PECO - \$8,015.72; Teamsters Health & Welfare - \$16,829.76; Verizon Wireless - \$1,863.77; Warminster MUA - \$18,765.08 and a \$70,000.00 transfer for payroll.

A motion (Held-Deon) adopting a resolution to approve **BRI Fund Requisition No. 547** dated March 25, 2015 in the amount of \$100,708.02 passed with 5 ayes.

The major items paid under **BRI No. 547** are as follows: Insituform Technologies Inc. - \$5,287.82; Fred Beans Ford of West Chester - \$87,283.10; and LB Water Service Inc. - \$8,137.10

6. Manhole Rehabilitation – 2015 Capital Project – CP-2015-S-1

A motion (Jim-Farling) made that the Northampton, Bucks County, Municipal Authority Board approve the Contract with Abel Recon of Mountville PA in accordance with their proposal dated March 11, 2015 under Vendor Number 317637 via Pennsylvania COSTARS™ Cooperative Purchasing Agreement No. 16030 and authorize the Executive Director to sign on behalf of the Board passed with 5 ayes.

7. Sale of Surplus Equipment (list attached)

A motion (Deon-Jim) made to authorize the sale of surplus equipment and vehicles as prepared by the Executive Director be sold on the Municibid electronic bidding platform passed with 5 ayes.

8. Sanitary Sewer Root Control – Bid Authorization

A motion (Farling-Jim) made, that the Northampton, Bucks County, Municipal Authority Board advertise for a Sanitary Sewer Root Control Contract in accordance with the standard technical specifications previously used by the Authority and authorize the preparation of said document for advertising on PennBid public bidding procedure for an anticipated award by the Board at its' June public meeting passed with 5 ayes.

BOARD COMMENTS

None

SOLICITOR COMMENTS

Mr. Rudolph – made comments on the 50th anniversary of the Agreement with BCWSA and that the signer of that document passed away a few days ago at 100 years of age.

THERE BEING NO FURTHER BUSINESS TO DISCUSS, MR. FARLING ADJOURNED THE MEETING AT 8:01 P.M.