

Northampton, Bucks County, Municipal Authority

Minutes of the Public Meeting held on November 20, 2019

Board Members: Edward Farling III, Chairman
Stephen Mc Gill, Vice Chairman
John T. Jim, Secretary
Charles Rehm, Treasurer
Vincent Deon, Assistant Secretary-Treasurer

Others: Thomas A. Zeuner, Executive Director
Edward Rudolph, Esquire, Solicitor
Christopher Walker P.E., Pennoni Assoc.
Frank O'Donnell, Northampton Supervisor Liaison - absent
Debra Wirtz, Executive Assistant

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

1. Pledge of Allegiance

Chairman Farling, lead the Pledge of Allegiance and requested a moment of silence for our men and women serving in harm's way.

It was noted that prior to the meeting there was an Executive Session with the Board to discuss legal matters and personnel.

2. Executive Director's Report

BCWSA SANITARY SEWER LITIGATION SETTLEMENT

On Tuesday, November 12, 2019, the Northampton, Bucks County, Municipal Authority (NBCMA) was notified by the Bucks County Water & Sewer Authority (BCWSA) that its 2020 charges to convey and treat the sanitary sewer flows from NBCMA are being reduced by 89.5 cents per 1000 gallons of flow. This reduction results in an approximate \$1,000,000 savings to NBCMA as compared to the prior rate.

As previously reported NBCMA sued BCWSA, claiming NBCMA had been overcharged on sewer rates since 2012. After extended negotiations, followed by an arbitration proceeding and an expert consultant's findings, it was determined that NBCMA has achieved a successful conclusion. Additionally, the BCWSA will reimburse NBCMA \$323,391 to be paid in monthly installments during the year 2020. Furthermore, reimbursement from BCWSA for the years 2017, 2018 and 2019 are being considered as an unresolved, outstanding claim.

This rate reduction will allow NBCMA to replenish its depleted funds for much needed capital expenditures. Capital projects can now be initiated to reduce inflow and infiltration into the sanitary sewer system, further reducing the volume of sanitary sewer flows into BCWSA and in turn reducing costs to be paid to BCWSA.

This very positive legal victory will enable sewer costs to remain stable in the near future, with the long-term goal of minimizing sewer rates through cost reductions and efficiency of operations.

Other wholesale customers of the BCWSA that convey flow to the Neshaminy Interceptor will also reap the benefit gains made possible by NBCMA in its litigation. But for the efforts and belief in the correctness of our position, no such sewer rate reduction or reimbursement would have occurred.

PFOA and PFOS Wells above self-imposed level

In October 2019 the Authority shut down Wells No. 7 due to a detection of 16 ppt for PFOS's and Well No. 9 due to a detection of 16 ppt for PFOS's.

Today, we have four (4) of our 15 municipal wells (26%) out of service due to levels above our self-imposed maximum standards.

INSURANCE:

At the last Board meeting the Authority Board provided me authorization to enter into new insurance agreements for workers compensation and general liability for the new fiscal year. The Authority received proposals that resulted in a \$40 thousand dollars savings to the Authority

NEW RESOLUTION- SANITARY SEWER CHARGES / BCWSA

Proposed RESOLUTION of the Northampton Bucks County Municipal Authority (NBCMA) directed to the Bucks County Water and Sewer Authority (BCWSA) seeking reimbursement for monetary overcharges for sanitary sewer service for calendar years 2017, 2018 and 2019. A RESOLUTION has been prepared for Board deliberation and vote.

A motion (Deon-McGill) made that the Northampton, Bucks County, Municipal Authority Board approve Resolution No. 2019-1229, a Resolution of the Northampton, Bucks County, Municipal Authority authorizing the Executive Director and Solicitor to advise Bucks County Water and Sewer Authority (BCWSA) That this Authority is seeking reimbursement with imputed interest of overcharges for sanitary sewer service for calendar years 2017, 2018, AND 2019 passed with 5 ayes.

RESOLUTION NO. 2019-1229

RESOLUTION OF THE NORTHAMPTON BUCKS COUNTY MUNICIPAL AUTHORITY (AUTHORITY), AUTHORIZING THE EXECUTIVE DIRECTOR AND SOLICITOR TO ADVISE BUCKS COUNTY WATER AND SEWER AUTHORITY (BCWSA) THAT THIS AUTHORITY IS SEEKING REIMBURSEMENT WITH IMPUTED INTEREST OF OVERCHARGES FOR SANITARY SEWER SERVICE FOR CALENDAR YEARS 2017, 2018, AND 2019

Whereas in 2015, the AUTHORITY engaged Herbert Rowland & Grubic, Inc. of Harrisburg, Pennsylvania to investigate the wholesale sanitary sewer rates being charged by BCWSA.

Whereas in 2017, believing that the rates charged by BCWSA violated the terms of the 1965 agreement representing the wholesale customers of the Neshaminy Interceptor and BCWSA, the Authority entered into a mutual agreement to arbitrate the rate dispute for the specific years 2012 through 2016.

- 1. Mr. James H. Laskey, Esquire of the firm Norris McLaughlin / P.A. of Bridgewater NJ (Arbitrator) was the mutually selected arbitrator to hear the rate dispute. The arbitration was held on May 2, 2018 and the Order and Decision of the Arbitrator was issued on August 7, 2018.*
- 2. The Arbitrator Ordered that a new cost of service study should be conducted by an independent third -party expert agreeable to both parties. The cost of service study as ordered was intended to set new rates for the wholesale customers of the BCWSA served by the Neshaminy Interceptor, effective January 2020.*
- 3. Mr. John F. Guastella; President of the firm Guastella Associates, LLC of Jupiter Florida (Guastella) was the independent mutually selected rate expert of both parties. The cost of the service study was set using a 2017 calculation basis in imputing 2020 rates to be charge by BCWSA to all wholesale customers served by the Neshaminy interceptor in conformity with the arbitration Order. The cost of the new cost of sewer service study was paid equally by BCWSA and the Authority.*

Whereas, the basis of the arbitration Order only covered specific calendar years 2012 through 2016; the Authority is now logically seeking reimbursement of monetary overcharges for calendar years 2017, 2018 and 2019, which periods are outside the time scope of the arbitration as agreed to by both parties.

Whereas, the mutually agreeable cost of service study completed by Guastella provides that based upon 2017 operations, the new rate effective January 2020 would be determined. Such a rate computation should likewise be the basis for determination for 2017, 2018 and 2019 rates. The overcharges, with interest therein, can then be determined.

NOW, THEREFORE, BE IT RESOLVED, that the Authority may proceed in such actions as are reasonable and necessary to recover overcharges of sanitary sewer rates of BCWSA paid by this Authority together with interest therein for the calendar years 2017, 2018 and 2019.

ADOPTED at the Public Meeting held on **November 20, 2019.**

HOUSE BILL NO. 1410 (PFAS ISSUE)

HB 1410 by Representative Todd Stephens received Final Passage (Y: 42/N: 7) in the Senate the evening of Monday November 18, 2019. It now goes to the Governor for his consideration/signature. The bill redirects a portion of the state tax revenue generated from a qualified former military installation and surrounding lands to a newly created municipal authority to remediate water contamination by the military installation. It also establishes a program under PENNVEST to address PFAS water contamination in Pennsylvania's impacted communities.

SUPPLEMENTAL AGENDA TOPICS

- Information Technology Upgrade
- Correction to Past Minutes
- Administrative Compensation

3. Citizens' Concerns

None

4. Approval of the Minutes of October 2, 2019

A motion (Rehm-Deon) made to approve the Minutes of October 2, 2019 passed with 5 ayes.

5. Check Requisitions / Accounts Payable

A motion (Rehm-McGill) adopting the following resolutions passed 5 with ayes.

Requisition No. 2185 dated 10/16/2019 in the amount of \$495,669.31

Requisition No. 2186 dated 10/29/2019 in the amount of \$892,902.70

Requisition No. 2187 dated 11/20/2019 in the amount of \$888,985.45

The major items paid under **Requisition No. 2185** are as follows: First National Bank of Newtown \$250,121.57; PECO - \$12,630.16; BCWSA - \$2,300.00; Core & Main LP - \$6,594.52; Coyne Chemical - \$1,177.60; CSL Services Inc. - \$6,700.00; Gannett Fleming Comp. - \$1,900.00; Guastella Assoc. - \$5,568.75; Independence Blue Cross - \$10,175.36; JH Shanahan - \$21,240.00; Karl Hops Inc. - \$1,142.94; Link Computer Corp. - \$3,620.51; M.J. Reider Assoc. - \$1,387.00; Office Basics - \$1,198.96; Pennoni Assoc. Inc. - \$31,210.55; RIO Supply Inc - \$14,369.53; Rudolph Clark LLC - \$12,359.45; Teamster Health & Welfare Fund - \$17,677.55; USA Blue Book - \$2,483.15; Warminster Fiberglass - \$5,770.00; and \$75,000.00 for payroll.

The major items paid under **Requisition No. 2186** are as follows: Analytical Laboratories - \$12,000.00; BCWSA - \$29,900.00; BCWSA - Sewer - \$371,865.31; BCWSA - Water - \$175,029.11; Environmental Products - \$1,681.85; First National Bank of Newtown - \$59,129.38; Guardian - \$3,796.69; Hannon Auto Service - \$2,685.49; Karl Hops Inc. - \$1,860.61; M & M Lawncare East Inc. - \$1,540.00; M.J. Reider Assoc. - \$1,299.00; RIO Supply Inc. - \$8,592.60; USPS - \$5,000.00; W. Bruce Beaton - \$134,634.00; and \$75,000.00 for payroll.

The major items paid under **Requisition No. 2187** are as follows: BCWSA - \$2,300.00; PECO - \$12,410.51; Verizon - \$1,014.62; Pennoni Assoc. Inc. - \$43,469.06; A & M Truck Service - \$1,688.00; BCWSA – Sewer - \$387,005.72; BCWSA – Water - \$135,793.75; Core & Main LP - \$2,993.75; CorrPro - \$3,870.00; Coyne Chemical - \$1,177.00; CSL Services Inc. - \$6,775.00 Custom Care Property Maintenance - \$2,882.00; Dukes Root Control Inc. - \$91,173.61; Hach Co. - \$1,014.60; Independence Blue Cross - \$10,175.36; JH Shanahan - \$28,550.00; Karl Hops Inc. - \$1,365.94; Kufen Motor & Pump - \$1,788.75; LB Water Service - \$3,549.27; Link Computer Corp - \$3,620.51; M & M Lawncare East Inc. - \$1,540.00; M.J. Reider Assoc. - \$1,517.00; Office Basics - \$2,435.95; PA UC Fund - \$3,002.92; Rudolph Clarke LLC - \$30,497.50; Teamster Health & Welfare Fund - \$17,677.55; USPS - \$5,000.00; and \$75,000.00 for payroll

6. 2020 Meeting Schedule

A motion (McGill-Rehm) made to approve the Authority meeting schedule for 2020, identified as Exhibit “A”, authorize the administration to advertise and post the schedule on the Authority website passed with 5 ayes. It was noted that beginning in February 2020 NBCMA Public Board Meetings will start at 6:30 P.M.

7. 2020 Holiday Schedule

A motion (McGill-Rehm) made to approve the 2020 holiday schedule as presented passed with 5 ayes.

8. Award Contract – Navy Cooperative Agreement – Contract 1-W-18

A motion (Farling-Rehm) made to award Contract 1-W-18 to Joao & Bradley Construction Company of Bethlehem PA in the amount of \$192,225.00 passed with 5 ayes.

9. Resolution 2019-1228 Amending Rates, Rules & Regulations Regarding Fire Hydrants

A motion (McGill-Deon) made to adopt Resolution #2019-1228, an amendment to Exhibit “F” of the Rates, Rules & Regulations passed with 5 ayes.

10. Adoption of 2020 Capital and Operational Budgets

A motion (Rehm-McGill) made to approve and adopt the 2020 Operational and Capital Budget as presented passed with 5 ayes. The Budget will be available on the Northampton, Bucks County, Municipal Authority website.

Mr. Zeuner, Executive Director noted that there will be no increase in water and sewer rates this year despite Facebook posts to the contrary.

11. Correction to Minutes of April 3, 2019

A motion (McGill-Deon) made to amend the April 2, 2019 Minutes of the Public Meeting to clarify information regarding Requisition No. 2170 passed with 5 ayes.

12. Hardware & Software Upgrade

A motion (Farling-McGill) made authorize the purchase of hardware and software upgrades from its professional services provider of information technology (I.T.), LookFirst Technology LLC, of Chalfont Pennsylvania of the five (5) total quotation #'s 1830, 1848, 1829, 1831, and 1851 all dated October 17, 2019 for a grand total of \$17,527.99 passed with 5 ayes.

13. Administration Compensation

A motion (McGill-Rehm) made to approve the 3.0% raise in compensation for all administrative employees of record as of November 1, 2019 with an effective date of November 1, 2019 in accordance with the 2020 Operational Budget passed with 5 ayes.

COMMENTS:

Christopher Walker P.E., Pennoni Assoc. Inc. noted that the C.I.P.P. project is nearly complete.

There being no further business to discuss, Mr. Farling adjourned the Board Meeting at 7:53 p.m.