

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

BOARD MEETING MINUTES

October 11, 2022

The meeting of the Chalfont-New Britain Township Joint Sewage Authority was held on October 11, 2022, in the Authority's meeting room.

Present: Donald Cameron, Vice Chairman; Timothy Hagey, Treasurer; Lawrence Nuesch, Secretary; and William Muzika, Assistant Treasurer. Also present: John Schmidt, Executive Director; Joseph Nolan, Engineer; Joseph Bagley, Solicitor; Tom Hauser, Plant Superintendent; and Rich Heverly, Collection System Supervisor. William Evans, Chairman and Preston Campbell, Assistant Secretary were absent. Jennifer Hughes, from the Auditor, Bee Bergvall, was also present.

The Vice Chairman opened the meeting at 5:00 p.m.

MINUTES

MOTION: It was **MOVED** by Mr. Nuesch and **SECONDED** by Mr. Muzika to adopt the minutes of the meetings of September 13 and September 27, 2022 as distributed to the Board. The Motion was unanimously adopted.

PUBLIC COMMENT

No members of the public were present.

REPORTS OF OFFICERS

No reports of Officers were presented.

COMMITTEE REPORTS

No Committee Reports were presented.

AUDITOR'S REPORT-Jennifer McHugh

Jennifer McHugh gave an overview of the end of year Audit Report. She stated that it is based on sampling, analytics, and comparisons. She identified certain, acceptable risks that are inherent in the audit, and she stated that the results of the audit were that the records were neat and orderly, there are multiple levels of internal control and segregation of duties, and the staff was very helpful and pleasant to work with.

Ms. McHugh reported to the Board that there will be new auditing procedures in the future involving certain long term lease agreements which will be accounted for as an asset and a liability for the length of the lease agreement. This will occur beginning in Fiscal Year 2022/2023.

Ms. McHugh reviewed revenues for 2019-2022 including sewer rents, operating payments, and fluctuations during that time period due to tapping fees. She noted that the Authority's operating expenses increased in 2022 and that depreciation was up due to new assets. Accordingly, there was a net loss because of the expenses and the depreciation.

A Board Member asked a question about the net loss. There was a discussion regarding total revenues, depreciation, future new construction, and the possibility of higher tapping fees. Mr. Schmidt stated that the Authority is waiting to see what new tapping fees are received from the Highpoint Project. Ms. McHugh concluded her report and was excused from the meeting.

The discussion about depreciation continued. Mr. Hagey stated that the Report indicates that the depreciation expenses on assets amounted to \$766,000 (Page 14). Such amount includes funds previously reimbursed by Bucks County Water and Sewer Authority. A certain amount of the depreciation is attributable to CNB. Mr. Hagey stated that the Authority is not on the positive side (net loss) because we are taking depreciation into account. Mr. Hagey stated that there is an agreement to raise rates on a periodic basis. Mr. Hagey stated that he did not want the Authority to keep going in the "net loss" direction. He stated that the rate schedule should be reexamined.

MOTION: It was moved by Mr. Hagey and seconded by Mr. Nuesch to approve the 2021-2022 Audit Report. The Motion was unanimously adopted.

SUPERINTENDENT'S REPORT-Thomas Hauser

Mr. Hauser gave his report as set forth in the written Superintendent's Report for September 2022. Treatment plant operations were considered normal during the month of September. Treatment plant parameters were all within limits. Routine plant maintenance and routine pump station maintenance were performed as scheduled.

Mr. Hauser stated that the influent screen is down. Parts were ordered. On September 19, the Channel Monster was found to be clogged. It was discovered that the primary gear reducer output shaft was broken and a broken bolt and nut was in the cutters. The Channel Monster has been repaired and is back online. Biosolids were delivered to a local farmer and a golf course.

COLLECTION SYSTEM REPORT-Rich Heverly

Mr. Heverly stated that 137 townhouses are proposed at Highpoint. A new impeller has been installed at Pump Station #7 in anticipation of such construction and the force main will be increased in size (as reported earlier, by the Developer).

Half of the manholes in Brittany Farms have been opened for the future I & I Study with Dukes. The intrusion study data is expected in the next couple of weeks. More data from Dukes will be forthcoming shortly.

Mr. Heverly also reported that Dougherty Landscaping will begin clearing Authority easements. While permission is being obtained from HOAs, clearing will begin on the easements on

properties of New Britain Township and Chalfont Borough starting on the 24th. Advance notice will be given to owners of private property.

Mr. Heverly also reported that all but two backflow preventer valves have been installed on the properties experiencing backflows in September 2021. Five inches of rain fell last week and there were no issues with the backflow preventer valves installed.

EXECUTIVE DIRECTOR'S REPORT- John Schmidt

Mr. Schmidt presented an easement signed by New Britain Township for the Pump Station #4 Project which he needs a signature from the Vice Chairman and the Secretary.

Mr. Schmidt next presented a developer's agreement with Butler Pike Properties. The tapping fees for 70 apartments and an office building will be \$352,940. The document is presented for the Vice Chairman and the Secretary to execute, and Mr. Schmidt recommended approval.

MOTION: It was moved by Mr. Hagey and seconded by Mr. Muzika to approve the Butler Pike Properties Developer's Agreement including \$352,000 in tapping fees. The motion was unanimously adopted.

Mr. Schmidt reported that the PMAA regional meeting will take place at Forest Park where Mr. Nuesch and Mr. Cameron and several operators will attend.

Mr. Schmidt announced that Mr. Hauser will celebrate 25 years of service with the Authority on Thursday, October 13th. Mr. Hauser was congratulated by the Board.

ENGINEER'S REPORT – Joseph Nolan

Mr. Nolan reported that the Authority has advertised on Pennvest for bids for the Pump Station #4 Project and the bids have been advertised in the local newspaper as well. The bid opening is November 3rd. There will be a pre-bid meeting for all potential bidders on Thursday, October 20 at 9:00 AM.

Mr. Nolan further reported that he is preparing the final cost estimate for the Pump Station #4 Project which will be completed this week. Mr. Schmidt estimated 3 Million Dollars for budgeting purposes and Mr. Nolan thinks it will be close to that figure. The pipe contract is estimated at 2.4 Million Dollars and the pumps have already been purchased. Mr. Nolan mentioned that pipe has been more available recently than in the past.

Mr. Nolan presented Requisition #238 for Capital Expenditures in amount of \$20,466.37 representing upgrades to security cameras.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Nuesch to approve Requisition # 238 for Capital Expenditures in the amount of \$20,466.37. The Motion was unanimously adopted.

Mr. Nolan next recommended approval of Requisition # 281 for Capital Improvements in the amount of \$2,856.00 representing engineering and legal services for the Pump Station # 4 Project.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Nuesch to approve Requisition # 281 for Capital Improvements in the amount of \$2,856.00. The Motion was unanimously adopted.

SOLICITOR'S REPORT- Joseph Bagley

Mr. Bagley reported that, following a review of the Authority's Articles of Incorporation and the Municipality Authorities Act, adding stormwater planning, management, and implementation as a function of the Authority would require an amendment of the Authority's Articles of Incorporation, which in turn would require the consent of each of the member municipalities by resolution or by ordinance.

TREASURER'S REPORT- Timothy Hagey

Mr. Hagey reported that the General Operating Expenses for the month and the previously approved Capital Expenditures totaled \$259,643.58 in Total Operating Expenses and Mr. Hagey recommended approval to pay the bills.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Muzika to approve the Total Operating Expenses for the month of \$259,643.58. The Motion was unanimously adopted.

Mr. Hagey next reviewed the previously approved Capital Improvements of \$2,856.00, the payments to the Loan Fund of \$73,020.12 and he recommended payment of both making the Total Expenditures for the month \$335,519.70.

MOTION: It was it was **MOVED** by Mr. Nuesch and **SECONDED** by Mr. Muzika to approve the payments the Total Expenditures of \$335,519.70. The Motion was unanimously adopted.

Mr. Hagey next reported that the escrow disbursements for the month of \$1,775.99 for the Authority, CKS Engineers, and Bagley Law, LLC and he recommended approval.

MOTION: It was it was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Nuesch to approve the payments the escrow disbursements of \$1,775.99. The Motion was unanimously adopted.

OTHER BUSINESS

There was a consensus of the Board reached to cancel the October 25 Meeting. The next meeting of the Board will be November 8.

The scheduling of a meeting of the Finance Committee was called for. The Committee consists of Messrs. Cameron, Nuesch and Campbell.

ADJOURNMENT

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Muzika to adjourn the meeting. The Motion was unanimously adopted.

The meeting was adjourned at approximately 5:43 PM

Respectfully submitted,

Joseph M. Bagley, Solicitor
and Recording Secretary