

CHALFONT-NEW BRITAIN TOWNSHIP JOINT SEWAGE AUTHORITY

BOARD MEETING MINUTES

November 12, 2024

The meeting of the Chalfont-New Britain Township Joint Sewage Authority Board was held on November 12, 2024 in the Authority's meeting room.

Present: William Evans, Chairman; Donald Cameron, Vice Chairman; Lawrence Nuesch, Secretary; Timothy Hagey, Treasurer; Preston Campbell, Assistant Secretary, and Michael Sullivan, Assistant Treasurer. Also present: John Larson, Executive Director; Joseph Bagley, Solicitor; Rich Heverly, Operations and Maintenance Supervisor; Lew Christy, Plant Supervisor; Sophia Vitoroulis, Director of Finance; Joshua Fox, P.E., Alex King, P.E.; and Jennifer McHugh from Bee, Bergvall.

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

MINUTES

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Nuesch to adopt the minutes of the meeting of October 15, 2024. The Motion was adopted 5-0 with Mr. Campbell abstaining due to his absence from the prior meeting.

PUBLIC COMMENT

No members of the public were present.

REPORTS OF OFFICERS

There were no reports from officers.

COMMITTEE REPORTS

Mr. Campbell recommended a meeting of Facilities Committee as soon as Mr. Larson has items for an agenda.

ANNUAL AUDIT REPORT

Ms. McHugh gave an overview of the 2023-24 Audit. She explained that Bee & Bergvall corrects and adjusts journal entries, tests common risks and identifies multiple levels of internal controls. They review for, among other things, segregation of duties, improper revenue risks, etc... One material weakness was found—a lack of segregation of duties in the bank reconciliation process. This issue has been corrected. Bank reconciliations in the future will be reviewed and approved by someone independent of check writing. Ms. McHugh reviewed GASB [Governmental Accounting Standards Board] 101 for next year, which will require sick leave, vacation time, and personal time off, which is carried over from year to year, to be accounted for. She also reviewed GASB 102 regarding risk disclosures such as the collective bargaining agreement and any environmental factors to be taken into account beginning next year.

Ms. McHugh reviewed operating revenues, expenses, net income and net loss.

Mr. Evans inquired about debt service and any need to reevaluate the upcoming change of rate on one of the loans (2025). Similarly, Mr. Sullivan asked about any rate covenants in

documents. There was discussion about the change in interest rates and Mr. Larson responded to Mr. Sullivan's question.

Mr. Campbell reminded the Board of the past discussion about depreciation as a non-cash expense.

Mr. Larson reported the need for a 12.5% sewer rental rate increase in January. There was discussion about repairs increasing operational costs. There was also discussion about a potential rate increase.

Ms. McHugh left the meeting at approximately 5:15 PM.

Mr. Hagey asked a question about the line item "miscellaneous customer service". He was advised that the entry represents the DEP consent assessment.

DIRECTOR OF FINANCE REPORT-Sophia Vitoroulis

Ms. Vitoroulis reported that bank records were previously kept "in total", i.e., the separate funds were not kept in separate accounts. The three funds previously utilized are being eliminated. Statement and bank records in the future will match. All accounts are in QuickBooks through October. Ms. Vitoroulis is reviewing with each person in the office their entries in QuickBooks for November so that they are accounted for accurately.

A question was asked about an asset management plan for investment planning. Mr. Larson responded that such an asset management plan will be prepared in the future.

Ms. Vitoroulis next reported that the Authority is switching to Paychex® for payroll services. The Authority will run its first payroll in Paychex in December. Ms. Vitoroulis also reported that metering data, in terms of charges, is going to start being cleaned up and input.

OPERATIONS AND MAINTENANCE SUPERVISOR'S REPORT-Rich Heverly

Mr. Heverly reported that many things are being fixed. By way of example, two 6-inch utility water valves which are 40 years old and did not open, were replaced with two valves already in the possession of the Authority. Two utility hydrants were also replaced.

PLANT SUPERVISOR'S REPORT-Lew Christy

Mr. Christy reported that Utility Water Pump No. 3 was evaluated for repair, and with high repair costs encountered, was replaced with a new pump for \$25,000. There was a discussion about a rise in nitrates which Mr. Christy discussed. He reported that the nitrates limit has changed. He discussed use of the internal recycle pump to keep nitrates down. There was general discussion about the recent dry weather and the lack of flow.

EXECUTIVE DIRECTOR'S REPORT- John Larson

Mr. Larson recommended the closing of Escrow Account No. 132 for the Wawa Project on Butler Avenue.

MOTION: It was **MOVED** by Mr. Nuesch and **SECONDED** by Mr. Campbell to authorize Mr. Larson to close Escrow Account No. 132. The Motion was unanimously adopted.

Mr. Larson next reported that he requests authorization to approve a capacity approval form for 20 Barry Circle which is not on the agenda because it was brought to his attention only this week.

MOTION: It was **MOVED** by Mr. Nuesch and **SECONDED** by Mr. Hagey to approve the sewage capacity approval form for 20 Barry Circle. The Motion was unanimously adopted.

Mr. Larson next presented for adoption Resolution No. 2024-6 regarding an LSA grant application for the lining project.

MOTION: It was **MOVED** by Mr. Nuesch and **SECONDED** by Mr. Hagey to adopt Resolution No. 2024-6. The Motion was unanimously adopted.

ENGINEER'S REPORT-JOSHUA FOX and ALEX KING

Mr. Fox reported that an operations report required under the Consent Order is being prepared for submission to DEP. Mr. Fox expects to present the preliminary design for the Phase I Improvements to the Plant (rectangular clarifier improvements) in January 2025. HRG is obtaining costs for the Phase I improvements. Mr. Fox made a presentation (with a PowerPoint) on the Plant Improvement Project, outlining, among other things, the scope of the project, the consent order and agreement, the secondary clarifier evaluation, proposed improvements for Phase II, and a detailed description of the Project.

Mr. Evans asked for copies of the slides.

Ms. King reported that the LSA Grant Application will be submitted by November 26.

SOLICITOR'S REPORT- Joseph Bagley

Mr. Bagley reported that the Borough is proposing to place the Authority's recommended sewer use ordinance, and an ordinance reconfiguring the U & O process in the Borough, on the municipal agenda for December 10. If such items make it onto the Council agenda for that date, Mr. Bagley and Mr. Larson will attend to address to any questions that may arise.

TREASURER'S REPORT- Timothy Hagey

Following review of the Financial Report and the Bill List, Mr. Hagey recommended payment of the Total Disbursements of \$496,124.62 for the month.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Sullivan to approve the Total Disbursements for the month of \$496,124.62. The Motion was adopted unanimously.

OTHER BUSINESS

Mr. Evans remarked on the passing of former Chairman Joseph Bonner. Mr. Evans asked that flowers or a basket be sent to Mrs. Bonner by the Authority.

Mr. Hagey stated that he wished the entry on the Audit to be changed from “miscellaneous customer service” to something else more appropriate. There was a discussion about the entry.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Sullivan that the audit report be approved as amended, with the term “regulatory compliance” replacing the term “miscellaneous customer service”.

Mr. Hagey further raised the issue that only agenda items should be approved by the Board.

MOTION: It was **MOVED** by Mr. Hagey and **SECONDED** by Mr. Campbell to rescind the approval of the capacity approval form from 20 Barry Circle and allow Mr. Larson to either approve it and await ratification at later meeting or place it on the agenda for December.

ADJOURNMENT

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

There was a consensus to cancel the second meeting of the month.

The meeting was adjourned at approximately 6:04 PM

Respectfully submitted,



Joseph M. Bagley, Solicitor
and Recording Secretary