



**WARRINGTON TOWNSHIP BOARD OF SUPERVISORS
MINUTES FOR FEBRUARY 5, 2019
WATER/SEWER SYSTEM PUBLIC MEETING
CENTRAL BUCKS HIGH SCHOOL SOUTH AUDITORIUM**

The written minutes are a summary of the February 5, 2019 Board of Supervisors meeting. For a complete dialog visit the Township's website, www.warringtontownship.org.

ATTENDANCE

Fred R. Gaines, Chairman; Ruth L. Schemm, Vice Chair; Shirley A. Yannich, Member; Carol T. Baker, Member; and Eileen Albillar, Member.

Staff present was Barry P. Lubber, Township Manager; Terry W. Clemons, Esq., Clemons Richter and Reiss, Township Solicitor; Christian Jones, Director of Water and Sewer Department and Barbara J. Livrone, Executive Assistant to the Township Manager/Board Secretary.

CALL TO ORDER: Mr. Gaines welcomed everyone for attending the meeting at 6:30 P.M.

PLEDGE OF ALLEGIANCE

Mr. Gaines followed the Call to Order with a pledge to the flag.

Mr. Gaines reported that the power point will be posted to the website and social media. Mr. Gaines stated that the meeting was being video recorded and will be posted to the website, upon editing completion.

INTRODUCTIONS

Mr. Gaines introduced everyone on stage. They were as follows:

- Barbara Livrone, Executive Assistant to the Township Manager/Board Secretary
- Barry Lubber, Township Manager
- Terry W. Clemons, Esquire, Solicitor for Township
- Fred R. Gaines, Board of Supervisors Chairman
- Christian Jones, Director Water and Sewer Department
- Ruth L. Schemm, Board of Supervisors Vice Chair
- Shirley A. Yannich, Board of Supervisors Member
- Eileen Albillar, Board of Supervisors Member

BIO OF FRED R. GAINES

Mr. Gaines stated his background information is a professional environmental engineer in Pennsylvania and four other states specializing in water and wastewater.

RULES OF MEETING

Mr. Gaines stated the following:

- The meeting would end at 9:15 PM and if necessary, will continue at the March 12, 2019 Board of Supervisors meeting.

- The meeting minutes will be posted to the website.
- Staff will present a power point followed by questions from the audience. Questions and comments should be kept to three minutes.
- No decision will be made at this meeting to sell the water and wastewater facilities.

TOWNSHIP MANAGER, BARRY P. LUBER

Mr. Luber stated the township received a proposal from North Wales Water Authority (NWWA) and Bucks County Water and Sewer Authority (BCWSA) to partner and purchase both systems.

DIRECTOR OF WATER AND SEWER DEPARTMENT, CHRISTIAN JONES

Mr. Jones presented a power point focusing on the following key elements (Attachment "A"):

- Water Quality
- Water Facilities Location Map
- Immediate Impact of Water Rates/Fees on Customers
- Future Impact of Water Rates/Fees on Customers
- Immediate Impact of Sewer Rates/Fees on Customers
- Future Impact of Sewer Rates/Fees on Customers
- Future Impact of Water and Sewer Rates/Fees on Customers
- 10 Year Impact on Customers – Do Not Sell
- 20 Year Impact on Customers – Do Not Sell
- Repairs/Maintenance through 2090 – Do Not Sell (2018 Keystone Alliance Asset Study)
- Future Impact on Customers
- Economies of Scale
- Impact on Township Finances if Sold

PUBLIC COMMENT:

- Pat Fedele (1474 Easton Road) questioned sewer costs, the technology to correct the problem should be paid for by the government; wells, cost to move water; what happens to the township's wells if sold and testing of private wells.

Mr. Jones responded by stating the remediation by ANG is addressing five out of nine wells through a cooperative agreement. Township wells will be used for backup or in the case of an emergency. A low interest loan is being used to fit the remaining wells with carbon filtration. The ANG will work with residents who have private wells if their well exceeds the health limit.

- Cora Beth Horvath (3373 Jennings Lane) asked if a resident is not connected to water and sewer, are they part of the sale?

Mr. Luber stated this is not part of the proposal from NWWA and BCWSA.

- Millie Seliga (934 Longwood Court) stated future infrastructure costs will be passed onto the residents. Ms. Seliga stated that both water and sewer systems should be managed by the township.

Mr. Luber stated if both systems are sold, this will be a revenue loss to the township.

- Steve Happ (920 Argyle) asked if the water and sewer system could be sold as a package deal.

Mr. Luber replied no.

Mr. Happ asked if the township sold one or both systems, what the long term plans are for residents who do not have public water and sewer.

Mr. Jones stated that there are two programs: private well sampling every three years and an on-lot sewage disposal system program will be instituted identifying failing septic systems. If there is an area that needs to be addressed an expansion of water and sewer lines could be possible.

Mr. Gaines stated if a developer has to extend the water and sewer line, the township could negotiate to extend the lines to those residents who are not connected.

- Resident from Bradley Road stated he is connected to sewer only and hasn't been approached to connect to sewer.
- Ronald Rosen (1921 Palomino Drive) stated the residents would lose their input on infrastructure if the water system was sold to NWWA. The township's pumps are old and NWWA would have to incur the cost.
- Phillip Sloper (816 Philadelphia Avenue) stated that BCWSA would charge more for infrastructure and the residents would not have a choice.

Mr. Gaines said that the PADEP and BCHD would determine the areas that need to be connected to the sewer system based on failing on-lot systems.

- Nora Garman (710 Wedgeway) concerned about infrastructure.
- Thomas Matthews (2431 Continental) questioned the guarantee for capacity based on a sale. Also questioned the rates after they are capped for three years.

Mr. Luber stated there would be a ten percent increase if the rates are increased. If the rates are increased, they would be spread over the entire customer base.

Mr. Gaines reported that NWWA is municipally owned by an Authority and governed by an Authority.

- A resident asked if NWWA purchases the water system, if additional hardware to the home would be required at the homeowners cost.

Mr. Jones replied that a pressure reducing valve may be required and if it is, there will be no additional cost to the homeowner.

- Frank Ciufo (3413 Pickertown Road) asked if there was an asset study performed on the facilities, the cost of the sale and should the systems be put out to bid?

Mr. Luber replied that an asset study was completed in 2018 by Keystone Alliance. The sale cannot be divulged.

Mr. Clemons stated that the township can sell its assets to other entities and they do not have to go out to bid.

- Resident residing at 2866 Pickertown Road asked who is responsible for the remaining infrastructure if systems are sold.

Mr. Jones stated the residents would have to agree on extending the water and/or sewer lines to their properties. A special purpose tapping fee would have to be paid by the residents which would depend on the number of residents connecting divided by the cost of the project plus other associated fees.

The resident stated he wants the township to have the residents connect.

- Frank Wheatley (2105 Wodock) said he has been waiting since 2016 to connect.
- Thomas & Ann Mangan (1818 Appaloosa) requested that the representatives from both NWWA and BCWSA give a presentation.

Mr. Gaines reported that this meeting was to communicate the proposals to the residents and to obtain their feedback.

- Chris Faunce (2329 Upper Barness Road) works for Springfield Township and stated the water bills increase significantly to pay for improvements. Suggested keeping the water and sewer systems managed by the township.
- Kenneth Fellenz (2256 Herblew Road) reported that the current water and sewer department provides excellent service. Asked where the money is going if sold.
- Kay Sherman (112 Lyric Way) inquired about the remediation money and the impact from ANG.
- Mary Dautel (163 Billingsley) stated contaminants are in the Delaware River and referenced the Morrisville/Bristol area. Ms. Dautel was not in favor of the township selling both systems.

Mr. Clemons stated NWWA is from Pt. Pleasant and there is no known contaminants and Pt. Pleasant is up river from Morrisville/Bristol.

- Frank Ace (1067 Folly Road) asked what is behind the offer.

Mr. Lubber replied Warrington Township received an offer and this offer is being presented to the Board and the residents this evening.

Mr. Gaines reported that Warrington Township already has a relationship with NWWA to supply water to the township through an agreement for a ten year period of time.

Mr. Ace requested to view the current fees and projected fees for when the wells are back on line in the future instead of presenting projections for 2090.

Mr. Lubber reminded the residents that in 2016, the residents did not want the township to supply them with water from township wells.

- Larry Suga (2176 Lisa Drive) asked what the current financial aspect is for the water and sewer department.

Mr. Lubber replied the water and sewer department is not in a healthy fund balance and needs to borrow money which has to be paid back. Mr. Lubber said another meeting could be held to explore other options.

- Gerald & Stephanie Bass (321 Crimson) asked where the money is going if the systems are sold.

Mr. Lubber replied that the Board of Supervisors has not decided.

- Mike Ambrose (1805 Jericho Drive) asked if the systems are sold, what happens to the township employees who work for the water and sewer systems. Why is there an office building in Warrington with a NWWA sign.

Mr. Luber said that both entities will hire the entire department employees. Mr. Luber stated that NWWA is expanding their footprint in the central Bucks County area to serve residential and wholesale customers.

- Seth Gansman (926 Bentley) asked what happens to the current bond money and suggested placing this sale on the ballot as a referendum.
- Carl Blankenmeyer (958 Scarlet Oak) complimented the water and sewer department for their customer service.
- Amy Ruch (2409 Dogleg) asked if the systems could be sold separately.

Mr. Luber said the proposal is jointly from NWWA and BCWSA.

- Thomas Dunn (204 Red Maple) worked for North Penn Water Authority for ten years and had all positive remarks about North Penn Water Authority which is jointly owned by Forest Park. She suggested selling the water system but not the sewer system.

Being no further public comments, Mr. Luber closed this portion of the meeting at 8:17 pm.

Mr. Gaines introduced Robert Bender, Executive Director of North Wales Water Authority. Mr. Bender clarified some of the remarks made by the public (Attachment "B").

Mr. Gaines introduced John Butler, Chief Operating Officer for Bucks County Water and Sewer Authority. Mr. Butler stated he would give a presentation to the public. BCWSA is a public organization with no shareholders. All excess funds are invested back into the system.

All supervisors agreed holding another meeting to continue the dialog and have both Mr. Bender and Mr. Butler attend, give a presentation and answer questions. A meeting will be held at 2:00 PM and 7:00 PM on Tuesday, March 12 at the township building. Both meetings will be properly advertised.


Resident (955 Easton Road) requested that more suppliers bid on the systems. Mr. Luber stated this can be addressed at the March 12th meeting.

Mr. Clemons stated that the township has a cooperative agreement with ANG to be reimbursed for wells that exceed contamination guidelines. Mr. Gaines stated the township wells can be used during peak times or in the case of an emergency.

ADJOURNMENT:

There being no further business, Ms. Yannich motioned, seconded by Ms. Schemm to adjourn the meeting at 8:40 PM.

Respectfully Submitted By:


Barbara J. Livrone, Board Secretary

Attachment "A"



Warrington Township Water/Sewer System Public Meeting

February 5, 2019

AGENDA

1. Board of Supervisors Chairman Remarks
2. Township Manager Remarks
3. Presentation by Director of Water and Sewer
4. Public Comment
5. Discussion Concerning Next Steps

Board of Supervisors

Board of Supervisors conducting due-diligence to evaluate offers

Three Primary Considerations:

- Immediate Impact on Customer/Residents
- Future Impact on Customer/Residents
- Impact on Township Finances

Township Manager

- Warrington approached by NWWA Executive Director to discuss potential sale:
 - Water System
 - North Wales Water Authority (NWWA)
 - Sewer System
 - Bucks County Water and Sewer Authority (BCWSA)

Water Quality

Warrington - Well Water	NWWA - Surface Water
Drawn from Aquifer (Ground)	Drawn from Delaware River
Hard Water	Soft Water
Treated with Chlorine and filtered as needed	Treated through Forest Park Water Treatment Plant
PFAS Contaminated	Non-Detect PFAS

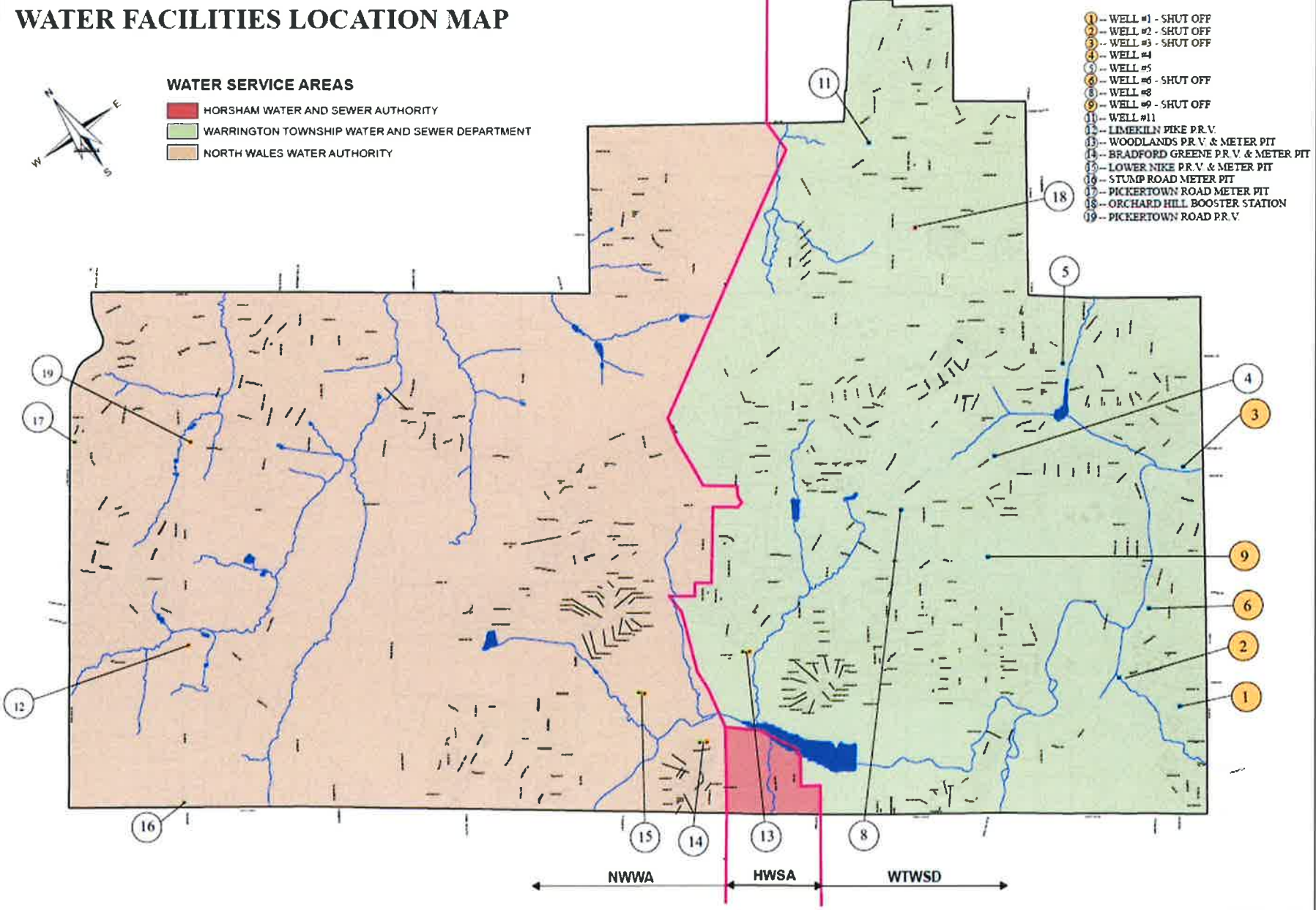
WARRINGTON TOWNSHIP WATER FACILITIES LOCATION MAP



WATER SERVICE AREAS

- HORSHAM WATER AND SEWER AUTHORITY
- WARRINGTON TOWNSHIP WATER AND SEWER DEPARTMENT
- NORTH WALES WATER AUTHORITY

Water Supplied By:
← NWWA → WTWSD



- WATER FACILITIES**
- ① - WELL #1 - SHUT OFF
 - ② - WELL #2 - SHUT OFF
 - ③ - WELL #3 - SHUT OFF
 - ④ - WELL #4
 - ⑤ - WELL #5
 - ⑥ - WELL #6 - SHUT OFF
 - ⑧ - WELL #8
 - ⑨ - WELL #9 - SHUT OFF
 - ⑪ - WELL #11
 - ⑫ - LIMEKILN PIKE P.R.V.
 - ⑬ - WOODLANDS P.R.V. & METER PIT
 - ⑭ - BRADFORD GREENE P.R.V. & METER PIT
 - ⑯ - LOWER NIKE P.R.V. & METER PIT
 - ⑰ - STUMP ROAD METER PIT
 - ⑱ - PICKERTOWN ROAD METER PIT
 - ⑲ - ORCHARD HILL BOOSTER STATION
 - ⑳ - PICKERTOWN ROAD P.R.V.

← NWWA HWSA WTWSD →

Immediate Impact of Water Rates/Fees on Customers

	Warrington Township (Current)	NWWA (3-Yr. Rate Lock)	Difference
Rate per 1,000 Gallons	\$7.16	\$3.60	\$3.56
Quarterly Base Fee	\$20.00	\$12.00	\$8.00
Quarterly Bill	\$127.40	\$66.00	\$61.40
Annual Bill	\$509.60	\$264.00	\$245.60

Decrease in annual bill (15,000 gal/Quarter)

\$245

Future Impact of Water Rates/Fees on Customers

	Warrington Township (Current)	NWWA (for past 24 years)	Difference
Rate per 1,000 Gallons	\$7.16	\$3.60	\$3.56
Quarterly Base Fee	\$20.00	\$12.00	\$8.00
Quarterly Bill	\$127.40	\$66.00	\$61.40
Annual Bill	\$509.60	\$264.00	\$245.60

Continued decrease in annual bill (15,000 gal/Quarter)

\$245

Immediate Impact of Sewer Rates/Fees on Customers

	Warrington Township (Current)	BCWSA (3-Yr. Rate Lock)	Difference
Rate per 1,000 Gallons	\$6.15	\$6.15	\$0.00
Quarterly Base Fee	\$20.00	\$20.00	\$0.00
Quarterly Bill	\$112.25	\$112.25	\$0.00
Annual Bill	\$449.00	\$449.00	\$0.00

No change
in annual bill (15,000 gal/Quarter)

Future Impact of Sewer Rates/Fees on Customers

	Warrington Township (Current)	BCWSA (following 3-Yr. Rate Lock)	Difference
Rate per 1,000 Gallons	\$6.15	\$5.88	(\$0.27)
Quarterly Base Fee	\$20.00	\$71.04	\$51.04
Quarterly Bill	\$112.25	\$159.24	\$46.99
Annual Bill	\$449.00	\$636.96	\$187.96

Increase in annual bill (15,000 gal/Quarter)

\$188

Future Impact of Water and Sewer Rates/Fees on Customers

	Warrington Township (Current)	NWWA & BCWSA (following 3-Yr. Rate Lock)	Difference
Rate per 1,000 Gallons	\$13.31	\$9.48	(\$3.83)
Quarterly Base Fee	\$40.00	\$83.04	\$43.04
Quarterly Bill	\$239.65	\$225.24	\$14.41
Annual Bill	\$958.60	\$900.96	\$57.64

Decrease in annual bill (15,000 gal/Quarter)

\$58

10 Year Impact on Customers – Do Not Sell

Implement Long-Range Asset Replacement Program

- **\$48 Million** worth of Infrastructure improvements over the next 10 years
- Increased Operations Costs

2019 to 2029 Annual Bill increased by **\$442**

Total Accumulated Cost of **\$3,250** by 2029 for Average Customer

20 Year Impact on Customers – Do Not Sell

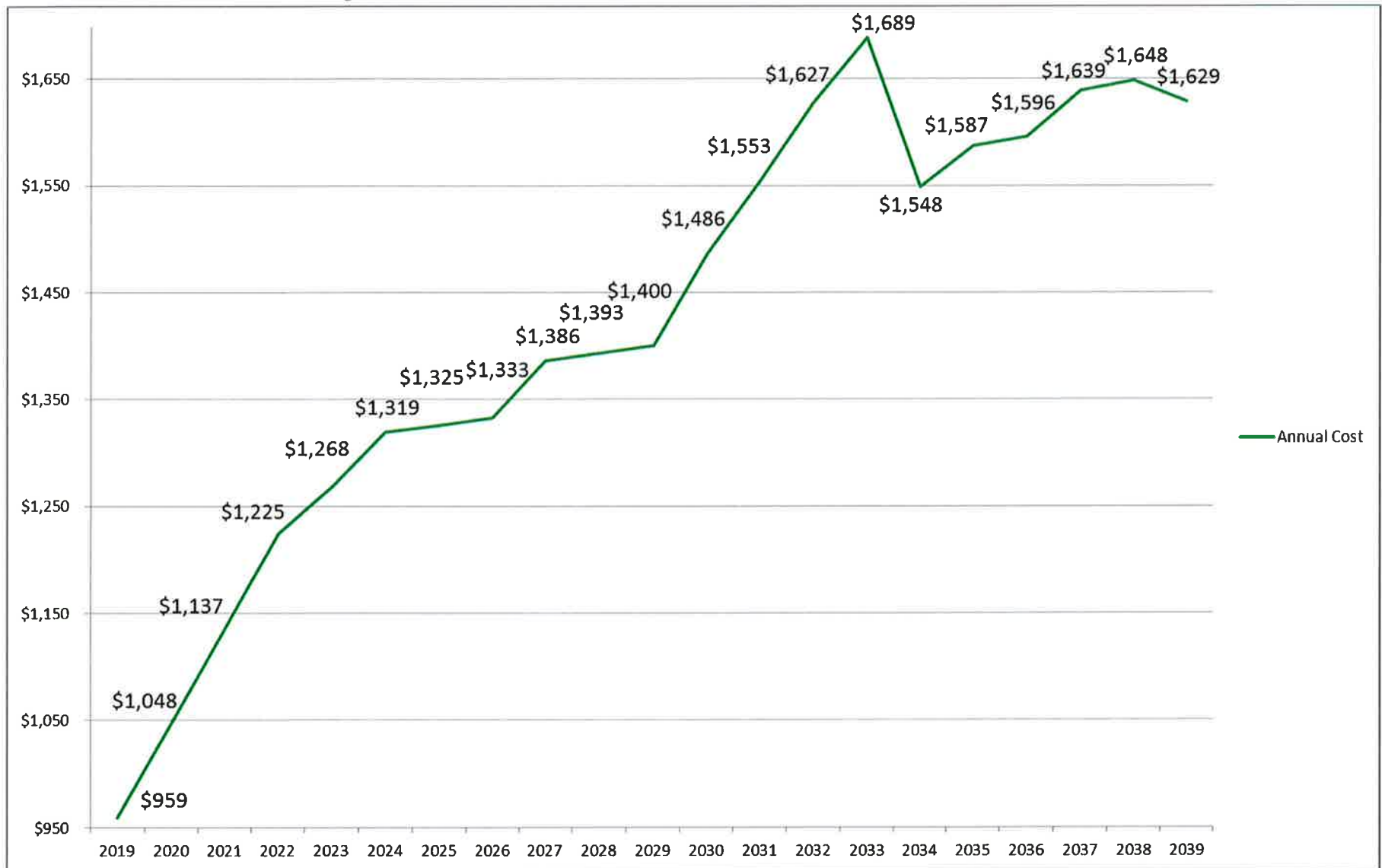
Implement Long-Range Asset Replacement Program

- **\$94 Million** worth of Infrastructure improvements over the next 20 years
- Increased Operations Costs

2019 to 2039 Annual Bill increased by **\$670**

Total Accumulated Cost of **\$9,664** by 2039 for Average Customer

20 Year Impact on Customers – Do Not Sell



Repairs/Maintenance through 2090 – Do Not Sell

2018 Keystone Alliance Asset Study

WATER SYSTEM	SEWER SYSTEM
\$41,593,036	\$121,670,529

Total = \$163,263,565

Future Impact on Customers

- If Systems are sold, Infrastructure Improvements would still need to be done by NWWA and BCWSA
 - Financial Impact of these improvements unknown
 - Both Authorities have “Economies of Scale”
 - Infrastructure Improvements likely to cost less than they would if Warrington did projects

Economies of Scale

- More Customers = Lower Rates/Fees
- More Product = Lower Rates/Fees
- Less Customers = Higher Rates/Fees
- Less Product = Higher Rates/Fees

Impact on Township Finances if Sold

- Loss of \$11.5 Million in Revenue to Township over next 22 years
- This gap potentially covered by sale through 2041
- Projected \$800,000 funding gap in 2042 Budget
- Water/Sewer customer still saves significantly

Public Comment

Attachment "B"

To: Barry Luber, Warrington Township Manager
From: Bob Bender, NWWA Executive Director
Date: February 6, 2019

Re: Clarifications and Confirmations from Public Questions and Comments.

Dear Mr. Luber,

In an effort to ensure that we share the most accurate and reliable information possible, below I will briefly respond to the questions and comments we noted last evening.

Q: How will this impact our water rates?

A: *The water rates will be reduced substantially from the existing \$7.16 per thousand gallons to our rate of \$3.60 per thousand gallons. This will save the average residential customer about \$245.00 dollars per year initially, and more later as the township will need to increase rates.*

Q: How do we know that rates will not be substantially increased later? Is this a "teaser rate"?

A: *The NWWA is prepared to enter into a binding contract with the Township providing an initial three-year rate lock, followed by a second three-year rate term, limiting any increase to a maximum of 10%. This means that worst case, residents would pay a maximum of \$3.96 over the next six years. We may not raise rates at all, but even that rate is substantially LOWER than your current water rate of \$7.16. They save every year.*

Q: Then what happens to the rates?

A: *We are prepared to include binding provisions and rate protections guaranteeing that the Warrington water customers will never pay a higher rate than we charge to our retail customers throughout our entire system, and the seven other municipalities we serve. Our longstanding policy is to maintain uniform water rates throughout the system, and we are prepared to put that into any contract we sign.*

Q: What about the Warrington Service Staff?

A: *We heard loud and clear that your customers like and respect your staff. So do we! As stated last night, it would be foolish for us even to consider taking over the water system without most, if not all of those folks. We are not foolish. As such, we intend to offer all of your water staff full-time employment with us. We will offer them all comparable or slightly higher wages, comparable benefits, credit for prior service as we calculate vacation and other leave. We will also provide them with full participation in our retirement programs and enhanced career path and advancement opportunities.*

Q: How do we know that Warrington customers will not be “gouged” for system improvements?

A: We will include binding terms in any contract we approve guaranteeing that the Warrington customers will never receive a special assessment or other fee for their water service or system repair or maintenance, not applicable and assessed to other customers. For the most part, the only time we have additional charges to our normal water fees are charges to developers or others making new connections to the system, with even those charges being regulated and limited by Pennsylvania Law. Additionally, we have a multi-million dollar capital reserve fund so that any unanticipated expenses will not become a surprising burden on our customers. This applies to both the operating system, and our Forest Park Facility.

Q: What is the ability of the NWWA to respond to emergencies in Warrington?

A: As we plan to hire all existing staff, and add many of our people to the emergency response team, there certainly will not be a reduction, and most likely an improvement in emergency response. We have a substantially larger staff, now over 50 employees and growing, and we own many repair vehicles, including large excavators, Vac Trucks, and other emergency equipment. In addition, we have over 25 licensed operators of all classifications, with a rotating On-Call Crew, available 24 hours per day.

Q: How about water quality?

A: The Warrington customers will continue to receive the same high quality and safe water as they receive now from our Forest Park Water Treatment Plant in Chalfont. This facility has continually received both Statewide and National acclaim for being one of the most advanced and properly operated facility in the nation. Our system uses a combination of membrane, ozone, and activated carbon filtration. We add only the minimum chlorine needed to keep the water fresh and clean as it travels through the system. Our water supply has been chosen by Warrington, Warwick, Warminster, and Horsham Townships as an alternative and the best solution to the underground aquifer contamination issue. We are constantly at or near the non-detect level for PFC,s and we are currently adding over \$450,000.00 in new carbon to maintain our record as the best water available anywhere in our region. We regularly test our water for over 100 contaminants and substances, and we have never failed to meet or exceed any state or federal drinking water standards. Addition information about our Forest Park treatment process can be viewed at www.nwwater.com, or at https://youtu.be/xqD70r_rLP4

Q: How are systems valued and how do we know that we are getting the best price?

A: There are various ways to “value” a system. We start with a methodology considering the current age and condition of the system, anticipated future improvements and repairs, the number of existing customers, estimated growth potential, and the total gallons of water sold each day. An additional critical factor is our policy of operating on a non-profit basis with uniform and stable rates in the future. (Unlike the private sector “profiteers” who write big checks and take it all back in future rate hikes. We encourage all interested parties to visit www.foodandwaterwatch.org to learn more about how the “profiteers” treat their customers after acquiring a new system). We will offer a fair and sustainable offer for the system.