



**WARRINGTON TOWNSHIP BOARD OF SUPERVISORS  
MINUTES FOR MARCH 12, 2019**

**The written minutes are a summary of the March 12, 2019 Board of Supervisors meeting. For a complete dialog visit the Township's website, [www.warringtontownship.org](http://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. Luber, Township Manager; Vicki Kushto, Esq., Clemons Richter and Reiss, Township Solicitor; Thomas Zarko, P.E., CKS Engineers, Township Engineer and Barbara J. Livrone, Executive Assistant to the Township Manager/Board Secretary.

**CALL TO ORDER:** Mr. Gaines called the meeting to order at 7:04 P.M and thanked everyone in attendance and also viewing the meeting live stream through the township's website.

**PLEDGE OF ALLEGIANCE**

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

**EXECUTIVE SESSION REPORT**

Mr. Gaines stated an executive session was not held.

**RECOGNITION OF 2018 BRONZE SPONSORS OF WARRINGTON COMMUNITY DAY.**

Ms. Yannich announced the Bronze sponsors for the 2018 Warrington Community Day. Bronze sponsors donate \$500.00 each to the event. Ms. Yannich read a Certificate of Recognition and presented one to each of the following recipients: CMI Fire Sprinkler Corporation – Steve Colton, President/Proprietor; Earthborne Trucks & Equipment - Doug and Maggie Taylor, Proprietors; Green Mountain Energy – Sean Wynne, Partnership Coordinator; Lowe's Warrington – Wendy Elliott-Vandivier, SPHR, Human Resources Manager and Robert Grow, Receiving Clerk and O'Neil Nissan – Drew Pearlman, General Manager. Not present was AT&T; Eureka Stone Quarry and GMG Insurance Agency.

Ms. Yannich thanked the eight Bronze sponsors for supporting the township's annual event.

Mr. Luber stated without sponsorships, the township would not be able to hold a free event for its residents.

**PRESENTATIONS OF POTENTIAL SALE OR WATER AND/OR SEWER SYSTEMS OF WARRINGTON TOWNSHIP.**

Representing North Wales Water Authority (NWWA) was Robert Bender, Executive Director and Bucks County Water and Sewer Authority (BCWSA), John Butler, Chief Operating Officer. Also in attendance representing NWWA was Brad Fisher, Director of Operations and Joe Murphy, Manager of Operations.

**Presentation by Water and Sewer Department – Township Manager, Barry P. Luber**

Mr. Luber announced a meeting was held on February 5, 2019 at CBHS South for both NWWA and BCWSA to give presentations for the possible acquisition of acquiring both water and sewer systems from Warrington Township.

Mr. Luber presented a water and sewer system update noting the public concerns addressed at the February 5<sup>th</sup> meeting; the control of the systems; the immediate impact of water rates/fees on customers; the future impact of water and sewer rates if the sale goes through; proceeds of sale; tax increases; Air National Guard agreement; infrastructure improvements; 10 and 20 year impact if there is not a sale; 10 and 20 year impact if only the water system is sold and impact if both systems are sold and the expansion of both systems. (See Attachment "A") Mr. Luber stated the Township would lose \$500,000 of revenue from cell towers. The Township's agreement with the Air National Guard would be transferred over to NWWA. The Township contracted with Keystone Alliance to perform an asset analysis of the system.

**Presentation by North Wales Water Authority – Executive Director, Robert C. Bender.**

Mr. Bender presented background information, a listing of municipalities that are currently being served by NWWA; the proposal to Warrington; cost savings to Warrington customers; services that they offer; employment of township staff to the authority; and the continuation to receive the highest quality of water from the Forest Park plant.

Mr. Bender emphasized that NWWA is not-for-profit and a public water provider. NWWA partners with North Penn. NWWA will coordinate projects with the Township and BCWSA for infrastructure projects.

NWWA has not raised their rates in 24 years.

NWWA will provide the township with up to one million gallons of water per annum at no cost which the Township may allocate amongst Township owned facilities (i.e., swim club). (See Attachment "B")

Warrington Township has been a customer of NWWA for over twenty years.

Mr. Bender reported that a concern was raised during the 2:00 p.m. March 12<sup>th</sup> meeting regarding pension. Mr. Bender stated the employee would be fully invested with NWWA's pension plan after five years of service with Warrington Township.

**Presentation by Bucks County Water and Sewer Authority (BCWSA) – Chief Operating Officer, John Butler.**

Mr. Butler presented background information on BCWSA and noted their municipal water and sewer acquisitions. Also presented were the comparative utility rate increases and the current rates. BCWSA is currently serving 90,000 residential customers. BCWSA will hire five employees from the Township. BCWSA is a not-for-profit Authority. (See Attachment "C")

Mr. Butler stated they would hire five employees from Warrington Township giving them the same salary, tenure and becoming a union employee. Their pension would start as a new employee. BCWSA will hold their sewer rates for three years. Their customer service runs from 8:00 am to 8:00 pm, Monday through Friday. Emergency service runs 24/7.

**Public Comment:**

Mike Sellecchia (2340 Lower Barness Road) asked about calculating monthly reads; the PFOS issue and funding from ANG.

Mr. Bender said that NWWA bills quarterly. NWWA uses a carbon system through Forest Park and the reads are non-detect. The agreement with ANG will be transferred from the Township to NWWA in writing and NWWA will not take funds from the Township.

Mike (renter @ 317 N. Founders) asked what the relationship was with North Penn. Mr. Bender said North Penn and NWWA jointly own the Forest Park Water Treatment Plant.

Fred Suffian (1567 Gregory Drive) asked if the value of the infrastructure is factored into the purchase price. Mr. Bender stated the value is the customer and water sale. Pipes, tanks, fire hydrants, valves, etc., are liabilities. Mr. Butler said BCWSA provides reasonable rates and protection of the environment.

Mr. Suffian questioned the surface water quality and byproducts. Mr. Bender said NWWA eliminates the use of chlorine. The Consumer Confidence Report lists all the elements that are tested and the results.

Jailan Elsarha (955 Easton Road) questioned insurance for water contamination and had questions on other issues. Mr. Bender said that NWWA is fully insured. Mr. Bender said they only provide pure water as per DEP regulations and testing is done for all substances. NWWA website is updated daily and municipalities would be notified immediately if there was a problem. Mr. Bender said NWWA has never sold an asset in fifty years.

Nora Garman (710 Wedge Way) questioned the township's capital funds for sewer improvements at her property. She lives on an access road. Mr. Zarko said this is a stormwater issue and an improvement will be made sometime in 2019.

Mary Dautel (163 Billingsley Drive) questioned BCWSA fees and the final certification fee. She also questioned where NWWA is getting the money to purchase more systems. Ms. Dautel requested that the public have a vote on the sale of both systems and that this be placed on the ballot as a referendum. Mr. Butler said the sewer bill is based on water usage. Mr. Bender said the funds are coming from debt service and capital improvement funds for future growth. Plus, NWWA will finance through a bond issue. Mr. Lubert stated the Board of Supervisors will make a decision whether to sell at a public meeting. Ms. Kushto reported that in the State of Pennsylvania, this is a non-binding question and prohibited under the law. Therefore, it cannot be placed on the ballot.

Mr. Gaines noted that out of 25,000 residents, approximately 200+ attended the February 5<sup>th</sup> meeting and 28 residents spoke at the meeting. Mr. Gaines emphasized that a decision to sell has not been made and encouraged residents to attend the meetings to keep informed.

Ms. Yannich said the Public Works Director has a concern about the sale of equipment. Mr. Lubert responded that he has gone over the list with the Public Works Director.

Dave Nonnenman (2158 Longview Drive) questioned if the water comes from the Delaware River and also requested the liability before and after the sale. Mr. Bender said water comes from the Delaware River. Ms. Kushto stated any liability before the sale would fall on the Township. Any liability after the sale would fall on the purchaser.

Mr. Nonnenman asked about ANG's reimbursement to the Township. Mr. Lubert said ANG has reimbursed the Township for the granulated filtration system. Mr. Lubert said the agreement with ANG is transferrable. Mr. Nonnenman said the water and sewer bills have increased dramatically since the contamination issue. As a result, will the residents be reimbursed due to the higher cost in fees? Mr. Lubert will have to research this.

Elliott Kolodny (42 Kulp Road East) questioned the liability for medical conditions and what is the sale of the liabilities. Mr. Gaines said any liability from the contamination created by PFOS will remain with ANG. Mr. Gaines said the Township is in a fact finding process. Mr. Lubert said the Township did not solicit either proposal.

Mark Russo (2192 Palomino Drive) questioned the billing practice from NWWA and BCWSA. Mr. Lubert said the bills are produced by water usage and consumption. Mr. Russo asked what the Board of Supervisors concerns are regarding the sale of the systems. Mr. Zarko said the Board is in a due diligence process.

Ms. Yannich stated the prior Board of Supervisors discussed the sale of systems. Ms. Yannich said she needs to understand the liabilities and what is in the best interest of the residents. Ms. Baker stated the importance for the Board to do their due diligence and obtain ideas from the residents. Ms. Baker further noted that she has attended seminars on this issue. Mr. Gaines said an asset inventory was completed prior to the proposals. Mr.

Gaines said the water and sewer department does not have reserves for debt and or capital. Mr. Gaines said that both NWWA and BCWSA came to the Township to make an offer.

Katie Wagner (2167 Longview Drive) questioned who approached whom. Mr. Bender explained that the Township never solicited a proposal. Mr. Bender stated Mr. Luber asked NWWA how their wholesale rate could be reduced to the Township. Mr. Bender suggested purchasing the system as a way of reducing the rates to the township. NWWA rates are \$3.60 per 1,000 gallons as compared to Warrington Township's water rate of \$7.16 per 1,000 gallons.

Mr. Luber said after the February 5<sup>th</sup> meeting, Aqua Pennsylvania submitted a proposed. A tentative meeting has been scheduled for April 9<sup>th</sup> at 2:00 PM and 7:00 PM.

Ms. Albillar stated the Board is only at the beginning stages and this item has only been discussed at three public meetings. Ms. Albillar asked if NWWA should sell the system, would it be sold back to the Township and at what cost. Mr. Bender said the sale would be at fair market value and that the township would have right of first refusal and would have a year's notice. Ms. Albillar asked what the future value of the system is. Mr. Bender said that assets depreciate not appreciate.

Ms. Albillar questioned BCWSA handling of delinquent accounts. Ms. Albillar said the Township has a contract with a firm to help collect delinquent fees. Mr. Butler said they work with the customer, issue payment plans and shutoffs do occur.

Ms. Albillar asked how the Board of Supervisors would work with NWWA and BCWSA boards. Mr. Butler said their Board holds public meetings and would welcome Warrington's Board of Supervisors to attend. Mr. Butler said BCWSA abides by the Act 537 Plan. If a rate increase would occur, Warrington Township Board of Supervisors would be notified. Mr. Butler said BCWSA has a Warrington address. Mr. Bender said that NWWA is opening an office on 611 in Warrington Township.

The presentation ended at 9:15 PM

#### **PRESENTATION OF 2018 ANNUAL REPORT FROM ENVIRONMENTAL ADVISORY COUNCIL.**

Mr. Gaines reported that the Environmental Advisory Council (EAC) has saved the Township thousands of dollars to meet the Ms4 program (i.e., naturalize detention basins).

Representing the EAC were members, Chair Fred Suffian and Ivy Ross. Also in attendance were Nick and Adele Weremeychik. Projects were shown that have been completed by the EAC. Their annual report will be posted to the website.

Mr. Gaines was liaison to the EAC in 2018 and Ms. Baker is liaison to the EAC for 2019.

Mr. Suffian and Ms. Ross thanked the Board of Supervisors for their services and attending their meetings.

The EAC applied for the Green Sustainable Parks Award and won the award from the Pennsylvania Parks Recreation Society.

Ms. Yannich requested the EAC to send a letter to the University of Maryland thanking them for leveraging funds as a result of their report.

Ms. Yannich also requested the EAC to evaluate the possibility of creating a tree farm on the 15 acre parcel that the Township owns on Bristol Road.

Mr. Luber said a letter was received from Mr. Cornell who owns 2 acres next to the Township's 15 acre parcel. Mr. Cornell would like to sell the 2 acres to the Township. After discussion, it was decided to send a letter to

Mr. Cornell expressing our thanks to purchase the property but there would be too much work involved to restore the home and barn.

#### **UPDATE AND DISCUSSION OF THE PROPOSED POLICE/MUNICIPAL BUILDINGS.**

Mr. Zarko reported that the buffering and drainage issues were discussed with the residents. The project team will review the final design details.

Ms. Schemm asked when the revised bid qualifications form will be used. Mr. Zarko stated the revised form will be incorporated into the Lions Pride Park bid.

**PUBLIC COMMENT:** None

**PUBLIC HEARING:** None

#### **1. APPROVAL OF BILL LIST:**

- a. **2019 Invoices for the Period February 27, 2019 to March 12, 2019 in the amount of \$799,745.64.**

Ms. Albillar motioned, seconded by Ms. Schemm to approve the 2019 invoices paid for the period February 27, 2019 to March 12, 2019 in the amount of \$799,745.64. All were in favor 5-0.

#### **2. CONSENT ITEMS:**

Mr. Gaines asked if any clarification was needed for the consent items as presented and asked that Agenda Item H be placed under Solicitors Report. (Attachment "D")

- a. **February 12, 2019 to Approve Minutes for Board of Supervisors meeting.**
- b. **February 26, 2019 to Post Minutes for Board of Supervisors meeting.**
- c. **Consider for approval the hiring of U.S. Bank as custodian for two Defined Benefit Pension Plans.**
- d. **Consider authorization to advertise for bids; New Police Station – Site Work Construction Contract.**
- e. **Consider approval of Final Certificate of Completion # 3 for the Lingo Tract/Greenbriar Preserve in the amount of \$311,889.92.**
- f. **Consider Recommendation of Award and Bid Tab for Construction Testing Contract for new Police Station.**
- g. **Consider approval to revise 2019 Barness Swim Team Agreement.**
- h. **Consider approval of Willow Knoll License Agreement.**

This item was moved to Solicitors Report.

Ms. Schemm motioned, seconded by Ms. Yannich to approve Consent Items A through G. All were in favor and the motion passed 5-0.

#### **3. CORRESPONDENCE:** Mr. Cornell's letter discussed under EAC's 2018 Annual Report.

**4. OLD BUSINESS:****a. Discussion of potentially recoverable litigation damage categories for Warrington Township.**

Mr. Gaines stated this item pertains to the opioid crises. Mr. Gaines encourages everyone to take a course on Narcon.

Mr. Gaines asked if the Township wants to pursue a class action lawsuit against the pharmaceutical companies who have been distributing opioids. There is no cost to the Township to join the lawsuit but Township records will have to be gathered.

Ms. Yannich suggested inviting the Police Chief, the Township Solicitor and one of the law firms who are filing to attend an executive session with the Board.

Ms. Schemm motioned, seconded by Ms. Albillar to hold an executive session to discuss litigation. All were in favor and the motion passed 5-0.

**5. NEW BUSINESS (ACTION/DISCUSSION ITEMS):****a. Consider approval to hire new payroll company, Paycor.**

Director of Finance, Ms. Williams stated the current payroll company has a lot of problems. Five companies were interviewed. An important aspect of a payroll company is to integrate human resources into the system. Ms. Williams is recommending Paycor because the price is competitive and meets the needs of the Township.

Ms. Yannich motioned, seconded by Ms. Baker to approve the hiring of a new payroll company, Paycor. All were in favor and the motion passed 5-0.

**b. Discussion of Board of Supervisors schedule.**

Ms. Schemm stated the meetings are going on too long and suggested an extra Tuesday meeting. Mr. Gaines suggested the third Tuesday of the month and properly advertising the meeting.

Ms. Yannich reported on the number of meetings held last year and the times they ended. She suggested possibly starting at 6:00 PM.

After discussion, no decision was made.

**c. Consider scheduling a date for the Township's Annual Volunteer Appreciation Luncheon.**

The Board decided to schedule the 2019 Volunteer Appreciation Lunch for Saturday, June 1, 2019.

**d. Consider multi-year contract with Celebration Fireworks, Inc.**

Ms. Yannich motioned, seconded by Ms. Baker to discuss the contract.

Ms. Schemm stated that she opposes the fireworks and suggested entering in a contract year-by- year.

After discussion, Ms. Yannich motioned, seconded by Ms. Baker to enter into a multi-year contract with Celebration Fireworks, Inc. By roll call, the vote was passed 4-1, with Ms. Schemm voting no.

**6. MANAGER'S REPORT:**

Mr. Luber was pleased to report that in one day, \$110,000 was donated to Lions Pride Park. Mr. Luber stated that an article was placed in the Intelligencer about the Park and also noted the groundbreaking event scheduled for March 29<sup>th</sup> at 2:00 PM to be held at the former Twin Oaks Day Camp.

**7. DEDICATION REQUEST:** None.**8. ENGINEER'S REPORT:****a. General Update:**

Mr. Zarko stated the Ms4 program update was submitted to the EAC and an update will be given to the Board of Supervisors at their March 26<sup>th</sup> meeting. Ms. Schemm complimented Mr. Zarko on the Ms4 report.

**9. SOLICITOR'S REPORT:****a. WT ZHB 19-05 Frederick Gage (equitable owner) 2565 County Line Road, appeal of Zoning Officer's Enforcement Action for constructing apartments without zoning approval.**

Ms. Kushto recommended for the Board to oppose the zoning application by sending a letter to the Zoning Hearing Board from the Board of Supervisors.

Ms. Schemm motioned, seconded by Ms. Baker to support the Zoning Officer's enforcement act and request the Zoning Hearing Board to deny the variance. All were in favor and the motion passed 5-0.

**b. Geerling Update**

Ms. Kushto reported that on March 12, 2019, an oral argument was presented to the Commonwealth Court.

**c. Settlement Agreement 1800 Street Road.**

Ms. Kushto reported that the applicant will install the proposed signage as presented to the Board of Supervisors at their February 26, 2019 meeting. An application for sign permits must be made to the Township as proposed. Any additional signage shall require approval from the Zoning Hearing Board.

Ms. Schemm motioned, seconded by Ms. Baker to enter into a Stipulation and Settlement Agreement with 1800 Street Road Realty, LLC; Warrington Township Zoning Hearing Board and Warrington Township. All were in favor and the motion passed 5-0.

**d. Willow Knoll License Agreement.**

Ms. Kushto reported on a license agreement between Willow Knoll Homeowners Association and Warrington Township granting a license to Willow Knoll to assign 21 parking spaces on Township property; 3 parking spaces in the Suzann Drive right-of-way and 5 spaces in the Lisa Drive right-of-way. The license is limited to use by Willow Knoll and members of the Association.

Ms. Baker motioned, seconded by Ms. Albillar to approve the Willow Knoll License Agreement. All were in favor and the motion passed 5-0.

e. **Boundary Map Mill Creek Property.**

Ms. Kushto reported that DCNR accepted documentation but the boundary map needs to be signed by the Township for Mill Creek Park, TMP 50-004-106, 50-004-107 and 50-004-109, consisting of 64.76 acres.

**SUPERVISOR COMMENTS:**

Ms. Baker reported on the updates for the Barness Tennis & Swim Club Advisory Council and the Environmental Advisory Council.

Ms. Yannich said on Facebook there are some good suggestions to consider for the Swim Club.

Ms. Schemm reported a meeting will be held on March 8 with the water and sewer employees.

Ms. Albillar reported on February 27<sup>th</sup>, the Emergency Services Department's firefighters reprogrammed all of their radios. They also attended on February 28<sup>th</sup>, training sessions.

Mr. Gaines stated the Planning Commission requested the Board of Supervisors to amend Ordinance 2018-O-07, Conservation Easement and requested the Township Solicitor to prepare an amendment.

**ADJOURNMENT**

There being no further business, Ms. Schemm motioned, seconded by Ms. Albillar to adjourn the meeting at 10:50 PM.

Respectfully Submitted By:

  
\_\_\_\_\_  
Barbara J. Livrone, Board Secretary



**ATTACHMENT "A"**



# **Warrington Township Water/Sewer System Update**

**March 12, 2019**

# AGENDA

1. Presentation by Township Manager
2. Presentations by NWWA and BCWSA
3. Public Comment
4. Discussion Concerning Next Steps

# CB South Meeting

Public concerns from Feb. 5<sup>th</sup> meeting:

1. Loss of Control - Water and Sewer Systems
2. Where proceeds from sale would go
3. Potential tax increases
4. Agreement with Air National Guard
5. Cost of infrastructure improvements
6. Sale of Water System only
7. Expansion of water and sewer system

# Control of Systems

If Township doesn't sell, Township will retain control of Systems

- Township will maintain and improve systems as appropriate
- Supervisors are held accountable to residents through elections
- Rates/fees will be adjusted to cover expenses

# Immediate Impact of Water Rates/Fees on Customers - Sell

	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 - Sell

	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 - Sell

	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 - Sell

	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 - Sell

	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**

# Proceeds of Sale

If Township sells, proceeds could be funneled in various directions:

- Pay W/S Debt and cover General Fund gap
- Pay W/S Debt and spend on Capital Improvement Projects
- Pay W/S Debt and split between General Fund gap and Capital Improvement Projects
- Pay W/S Debt and create Rate Stabilization Fund



**Caution:** This delays and compounds future tax increases

# Tax Increases

Taxes will inevitably increase

- Taxes may increase in distant future if a sale of Water and/or Sewer Systems go through in order to close Funding Gap

# Air National Guard

Township Staff has reached out to the ANG:

- Confirmed that Cooperative Agreement would transfer to NWWA if a sale were to proceed
- NWWA can address what they intend to do with filtered wells

# Infrastructure Improvements through 2090

Infrastructure Improvements must be done whether by the Township, NWWA, or BCWSA

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

**Total = \$163,263,565**

# 10 Year Impact on Customers – Do Not Sell

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

2019 to 2029 Annual Bill increased by **\$454**

## 20 Year Impact on Customers – Do Not Sell

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

2019 to 2039 Annual Bill increased by **\$655**

## 10 Year Impact on Customers – Sell Water Only

- **\$25 Million** worth of Sewer Infrastructure improvements over the next 10 years
- Increased Operations Costs

2019 to 2029 Annual Sewer Bill increased by **\$187**



## 20 Year Impact on Customers – Sell Water Only

- **\$38 Million** worth of Infrastructure improvements over the next 20 years
- Increased Operations Costs

2019 to 2039 Annual Sewer Bill increased by **\$488**

## Impact if Only Water System Sold

- Loss of approx. \$550,000 annually
- Proceeds of sale would go to debt
- Water Customer Bills would be reduced by \$245 annually (2023)
- Sewer Customer Bills would increase by \$87 annually (2023)

# Impact on Finances if Both Systems Sold

- Loss of approx. \$550,000 in Revenue annually
- Gap potentially covered by sale for approx. 20 years
- Water Customer Bills would be reduced by \$245 annually (2023)
- Sewer Customer Bills would increase by \$188 annually (2023)

# Expansion of Water/Sewer System

- Expansion possible through survey of residents followed by binding agreements
- Expansion possible through Development
- Expansion possible upon discovery of contamination of a cluster of private wells or a cluster of failing septic systems

**ATTACHMENT "B"**

**North Wales Water Authority**

*Presentation to the Warrington Township Board of Supervisors*

**Robert C. Bender, Executive Director**

March 12, 2019





The NWWA was founded in 1951 and has operated since that time in accordance with the rules and regulations of the Pennsylvania Municipal

Authorities Act of 1945

We are a *not-for-profit* public water provider.

In the early 1960s the Authority acquired the Blue Bell Water Company, and has maintained slow and steady growth since that time. Today we serve over 27,000 retail customers, and including our bulk sales, reach over 100,000 homes and businesses in our region.



**Here is an aerial photograph of our Forest Park Water Treatment Plant**



# Municipalities now served with Forest Park Water

**Ambler Borough**

**Chalfont Borough**

**Doylestown Township**

**Franconia Township**

**Hatfield Borough**

**Hatfield Township**

**Hilltown Township**

**Horsham Township**

**Lansdale Borough**

**Lower Gwynedd Township**

**Lower Salford Township**

**Montgomery Township**

**New Britain Borough**

**New Britain Township**

**North Wales Borough**

**Northampton Township**

**Skipack Township**

**Salford Township**

**Sellersville Borough**

**Souderton Borough**

**Towamencin Township**

**Upper Dublin Township**

**Upper Gwynedd Township**

**Upper Salford Township**

**Warrington Township**

**Warminster Township**

**Warwick Township**


**West Rockhill Township**

**Whitpain Township**

**Worcester Township**

In addition to the above, BCWSA purchases about 8 MGD of Forest Park Water for service to various other Lower Bucks County municipalities.

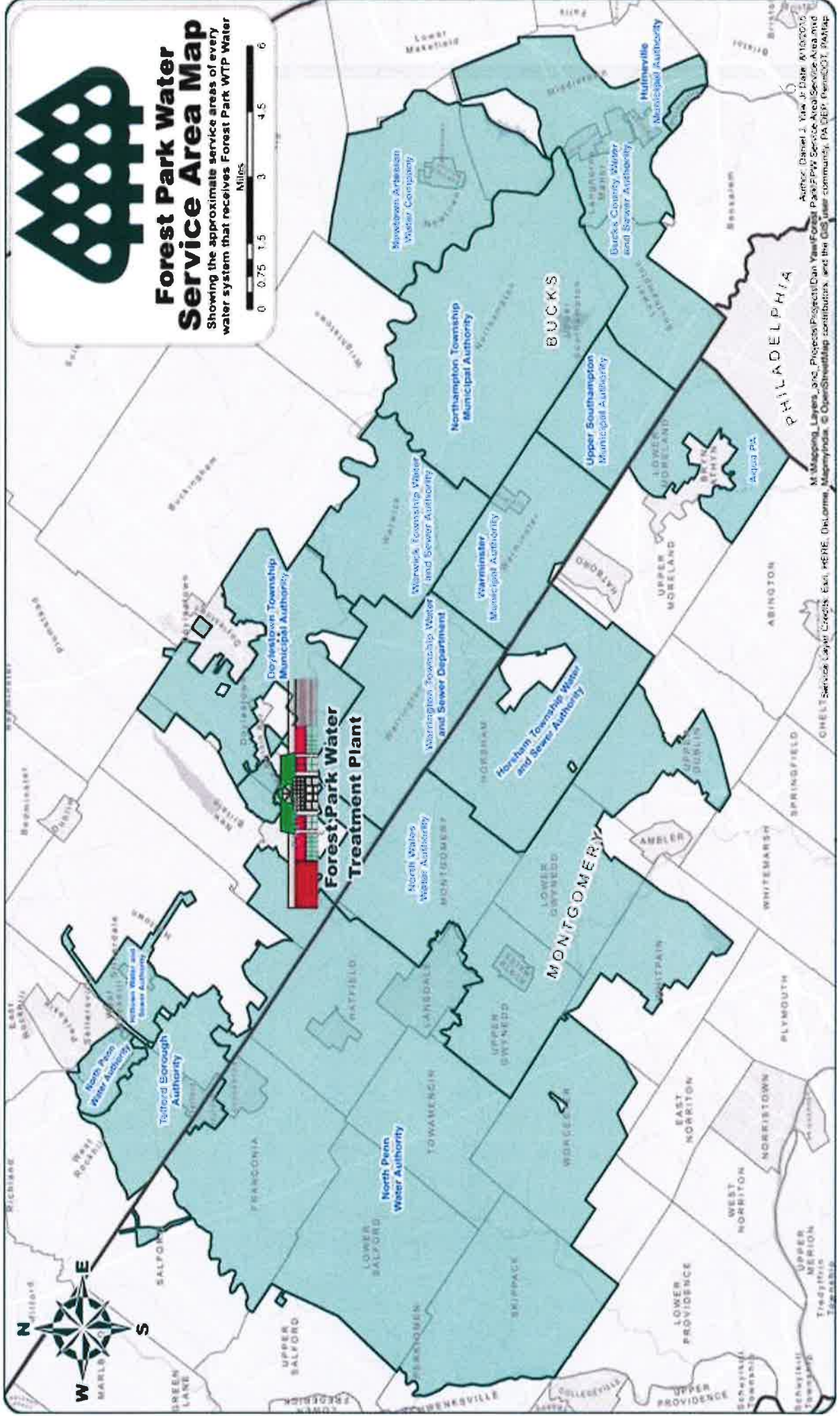





Located in nearby Chalfont, this award winning plant now provides up to 43 MILLION gallons of safe and clean water to homes and businesses in both Bucks and Montgomery Counties and is distributed by the NWWA, NPWA, and BCWSA.

In total, water from our Forest Park Plant now reaches over 100,000 homes and businesses in more than 20 municipalities, serving dozens of schools, nursing homes, hospitals, factories, as well as providing essential fire protection to each of these communities.

In addition to the areas depicted on the map below, the NWWA also serves water customers in Buckingham, Doylestown, and Solebury Townships.





The NWWA now serves over 5,000 consumers in the Central Bucks area, including customers in Buckingham, Doylestown, New Britain and Solebury Townships.

In order to best serve these and all future Central Bucks customers, we have recently added a satellite customer service office near the intersection of Route 611 and Kelly Road.



## **What are the primary differences between a “Retail” versus a “Bulk” customer of the NWWA?**

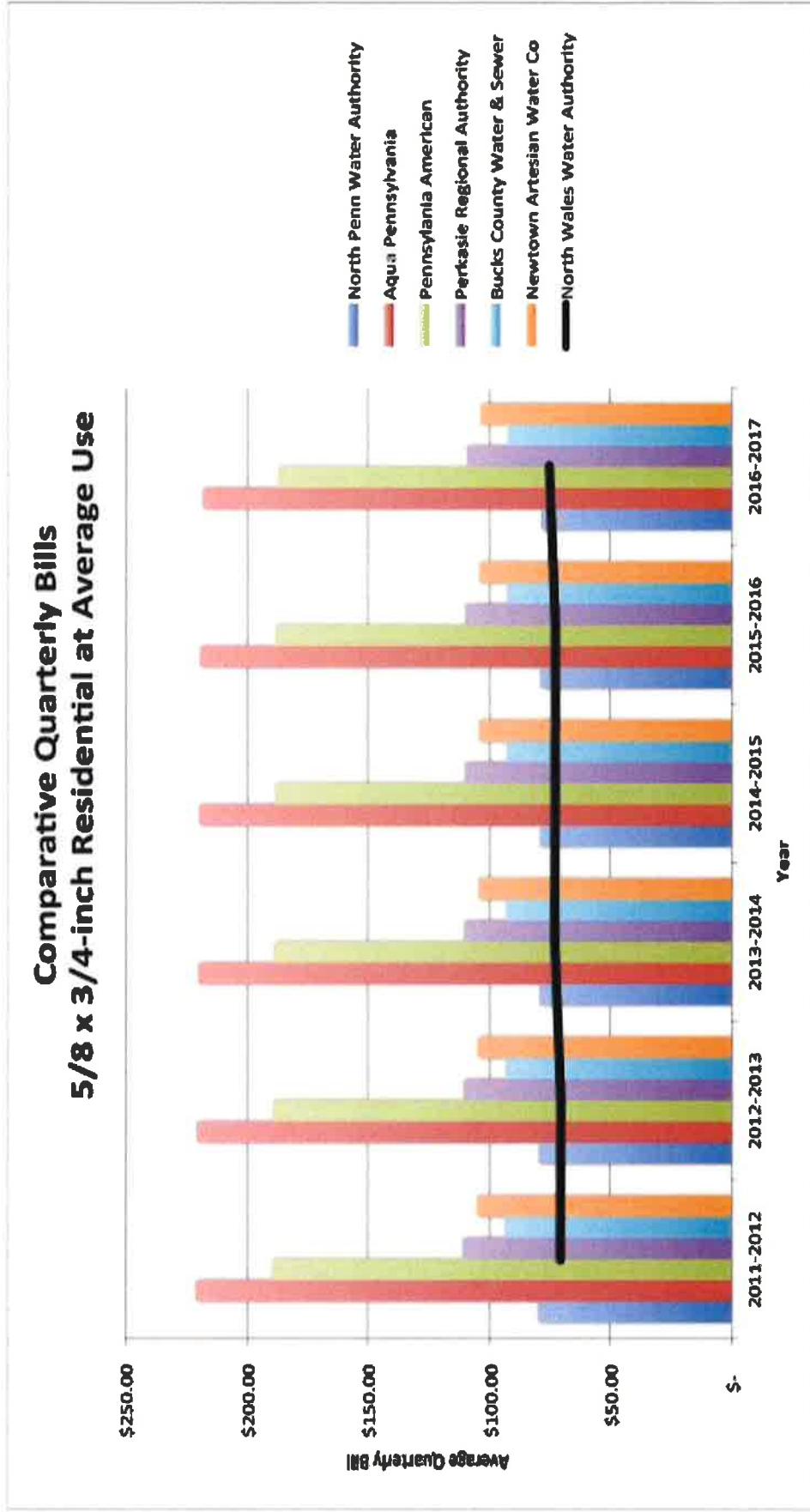
- Our retail customers receive full services and support on a 24 hour per day basis directly from the NWWA.
- Bulk customers receive their water from the NWWA, but our responsibility and service ends at the point of our interconnect and metering pit between systems.
- Retail customers receive NWWA service starting at our water plant, all the way to the meter in the house, at no additional cost.



## Examples of RETAIL and Full Customer Services

- Same high quality water delivered to all home or business.
- 24 hour per day emergency service in the case of leaks, or other need for emergency shut off.
- In home customer service to assist retail customers with locating leaks or determining pressure problems.
- Customer billings, payment arrangements and special billing considerations.
- 25 fully licensed operators available at all times.
- Over 50 full time employees always available to serve.

This study was completed a few years ago  
The black line shows the steady NWWA water rates.  
**The highest rates shown are both from corporately owned water companies.  
 Their rates have gone even higher since.**





## So, what is the proposal to Warrington ?

### And why?

- The offer allows us to transition the Warrington system from a bulk customer to a full service part of our service area.
- In summary, nothing changes as to water quality – but as a result of the inherent benefits of “Economy of Scale” we can spread our fixed costs of operations over a larger base.
- Additionally with the larger customer base, our purchasing power is enhanced – reducing costs for everyone.
- The bottom line is that as we grow, all customers benefit.
- **From your current \$7.95 per thousand gallons,**
- **To our retail rate of \$3.60 per thousand gallons.**



## How much would we save?

Your residents water rates would be reduced by nearly half.

**From your current \$7.16 per thousand gallons.  
To our retail rate of \$3.60 per thousand gallons.**

**From your quarterly base charge of \$20.00  
To our quarterly base charge of \$12.00**

**This means that the average retail customer will have their water bill  
reduced from \$127.40 per quarter to \$66.00 per quarter !**

***This equates to an annual savings of about \$245.00***

*(If you have a large family or use more 15,000 gallons of water per quarter in your home or business - you save even more.  
And, if the township retains ownership and imposes the projected rate increases, the savings are even greater.)*





## Are there other savings?

- Absolutely.
- All taxpayers will save on road repairs resultant of water line repairs.
- All taxpayers will save as fire service water will no longer be metered and will be provided free by the NWWA.
- Taxpayer responsibilities and liabilities will be reduced.

*In fact, during a recent discussion about another system a few years ago, the system operator said*

*“We are not selling our water system – we are selling our liabilities”*



**This sounds too good to be true – is this just a teaser rate?**

**Will our rates jump up after we sign?**

- *Absolutely , positively, not.*
- Due to our continued and steady growth, the NWWA has not raised water rates in over 20 years.
- Will we ever? Probably – a little - someday.
- *But you do not need to trust my word*, our proposal will provide several layers of written protection guaranteeing that your rates will never exceed the rates charged to other retail customers throughout our in our system. Our policy for over 50 years is uniform rates.
- There is no “bait and switch” in this proposal.




So, what are the essential terms of the proposal?

The Authority shall *guarantee* that all Customers within the Township shall be protected against unreasonable and inequitable future rate increases as the Authority agrees that these customers will not be billed at a water rate higher than the water rates charged to other similarly situated retail customers of the Authority at any time.

**The current NWWA retail water rate is \$3.60 per thousand gallons.**

**This rate will not be increased for at least Three (3) years from the date of Settlement on the System Purchase**



In addition to the above, the NWWA further agrees that the water rate charged to Authority water customers within Township shall at all times remain equal to other retail customers of the Authority, and will not exceed \$3.96 per thousand gallons for a minimum of Six (6) years from the Settlement on the Water System Purchase.

*Although our rates may not increase at all, the extra \$3.96 per thousand cap will provide even greater protection.*

**And then after the initial 6 years, there is additional perpetual protection - as we also agree that Warrington customers will NEVER pay more than the other retail customers of our system!**



**Additional Protection against Special Assessments or Fees.**

- Excluding only customary front footage assessments, water tapping fees and charges as permitted pursuant to the Pennsylvania Municipal Authorities Act typical of any new or increased water services, unless required by a court of law or agency of jurisdiction, **the Authority shall not make any special assessment to Authority customers within Township for future water system improvements.** All such improvements shall be included within the standard water rates, and shall not be back charged to the individual customers. This additional protection excludes any improvements or assessments *mandated* by a Court of Law, by lawful order of the US Environmental Protection Agency (EPA) and/or by the Pennsylvania Department of Environmental Protection (DEP) – if any.



**Emergency Response and Special Services.**

The Authority shall provide twenty-four (24) hour per day emergency services, including all weekends and holidays, at no additional cost to

Township water customers.

This service shall include all Authority personnel, equipment, contractors, and subcontractors as deemed necessary by the Authority to maintain water service.

There shall be no additional fee or surcharge to Warrington customers for this service.



## **Local Office Facilities.**

Authority agrees to acquire by lease or purchase, adequate office facilities for providing general administrative customer services and bill payment, to be located *within the township if reasonably possible*, but in no case outside of a 5 mile radius of the Township borders, and to maintain these facilities in operation for a minimum of 3 years.

As previously mentioned, we have recently acquired such an office in Warrington Township – right next to the KC Prime Restaurant at Route 611 and Kelly Road.



## **Licenses, Insurance, Electricity, Chemicals, and System**

### **Repairs.**

The Authority shall be responsible for obtaining and maintaining adequate liability and property damage insurance coverage for all facilities, including but not limited to the water mains, pumps, monitoring equipment, well houses, and to include all Authority owned water mains and appurtenances throughout the system, at all times.

We assume all responsibilities for state and federal operating licenses, as well as all fees. We pay for all materials, supplies and operating costs!






### **Coordination of Paving and Road Repairs.**

- Although difficult to qualify in terms of dollars per annum, it is the longstanding policy and practice of the Authority to provide a minimum of a “half-width” road repaving whenever completing major projects, such as an Authority water main replacement. Other than incidental repairs, we complete only trench repairs, but even in the case of a typical main break, we typically re-pave at least half with of a road with up to 100’ sections of roadway completed. This avoids leaving an uneven repair in the finished road surface.
- Lastly, we meet with all municipalities we serve each year to coordinate our planned water main repairs with the municipal paving schedule.
- Many times we are able to assist the municipality by completing our work first, completing trench repairs, then sharing final road paving costs 50/50. We also coordinate with the BCWSA and other sewer providers.

**Many times this results in a fully repaved road – saving the municipality and taxpayers many thousands of dollars each year.**




The Authority will provide the township with up to One Million (1,000,000) gallons of water per annum *at no cost*, which the Township may allocate amongst Township owned facilities, as determined to be appropriate.



### **Employment of Township Staff to Authority.**

- Understanding that the Township is concerned with the future well being of all Water Department staff, and as the Authority desires to employ experienced and capable individuals to maintain quality operations and to smooth transitions, while we can not discuss individual employment provisions within the purchase agreement, the following principals shall guide us in handling any personnel transfers.
- Up to 8 Township water system staff members employed at the time of the execution of the formal purchase agreement who wish a transfer of employment to the NWWA will be interviewed by the Authority between the date of execution of this Agreement and Settlement. If deemed qualified for hire, the Authority shall provide these individuals with employment opportunities for varying positions within the Authority. It is agreed that all employment offers will be at salaries **equal to or better than the annual salaries now paid by the Township** as to not create a disingenuous offer.
- Having reviewed our respective pay scales, no Township employee would suffer any reduction in wages as a result of employment transfer, and in fact, most, if not all will receive a modest increase in wages.



In addition to the wage provisions as stated above, all Township employees transferred to the Authority shall also be provided with benefits in a manner consistent with years served at the Township.

In other words, as an example, employees who have been with the Township for 10 years shall be granted the same benefits as an Authority employees who has been with the Authority for 10 years.

No one will suffer a loss of tenure or time earned.



## Are there any other benefits to the residents and businesses of Warrington?

- Yes - Many.
  - **Fire Protection Water is now metered** - *Once the agreement is in place, there is no charge to the township for this water.*
  - *No special assessments for catastrophic main breaks or repairs.*
  - *No more Road Repairs by public works - NWWA fixes the roads, curbs, sidewalks, lawns, driveways, etc., after main breaks*
  - *PennDOT and other permits – we handle and pay.*
  - *EPA, PaDEP mandated testing and reporting – we handle and pay.*
  - *Mandated future upgrades to the system - we handle and pay.*
  - *Local office availability – residents continue to receive same convenience.*
  - *Buy back provisions – Warrington remains in control!*



## How about the economics?

- Unlike the private sector “*profiteers*” who initially pay unrealistically high sums - *only to take it ALL back through higher rates to the customers later* – we make well thought out, fair and reasonable offers for any water systems we consider purchasing.
- This consideration includes BOTH the amount paid to the municipality - but also the actual economic impact to the customer – not just for the initial 3-5 years, but for 20 or 30 years, and more!
- We don’t make wild offers, only to take it all back, *plus interest and profits*, by gouging the residents and businesses later and forever.



## In summary

- If you want to keep the water system under *public ownership*
- If you want to **avoid the rate increases now projected** if the township retains ownership
- If you want to **protect your residents against “gouging”** and high rate increases in the future by the *for profit corporations* and “profiteers”.
- If you want to **protect your employees**
- If you want to **maintain local customer service facilities**
- If you want to **continue to receive high quality water from Forest Park**
- And if you want a **fair and honest purchase price...**
- **We trust that you will find our proposal as being in the best long term interests of your residents, businesses, taxpayers, and employees.**



**Thank you for your time and attention.**

**We would be pleased to answer any questions.**

***Robert C. Bender***  
***NWWA Executive Director***



ATTACHMENT "C"

# Warrington Township & BCWSA Informational Meeting





# BCWSA Team

- Benjamin W. Jones, CEO  
30+ years of Municipal Utility Experience
- Arthur J. Hass, CFO  
30+years of Municipal Utility Experience
- John W. Butler, COO  
28 years of Municipal Utility Experience
- Jeff Garton, Esquire  
Begley Carlin & Mandio
- John Swenson, P.E. Vice President  
Carroll Engineering Corporation

BCWSA has years of experience and knowledge as well as highly accredited Legal and Engineering expertise which we utilize during our acquisition / operational review process

BCWSA is a value added organization that is centered around affordable rates, good customer relations, infrastructure reinvestment and environmentally sound operational practices





# Previous BCWSA Municipal Water & Sewer Acquisitions

- Doylestown Township 1992 – 780 Customers
- Doylestown Borough 1994 – 3,300 Customers
- Riverwoods Water (Well System) 1999 – 263 Customers
- Waterworks Water (Surface System) 1999 – 63 Customers
- Fox Run Water (Well System) 1999 – 144 Customers
- Bensalem Township 1999 – 15,162 Customers
- Langhorne Borough 1999 – 1,070 Customers
- Upper Dublin Township MontCo 2001 – 7,900 Customers
- Middletown Township Sewer 2001 – 8700 Customers
- Middletown Township Water 2002 – 9072 Customers
- Springfield Township Montco 2015 – 8000 Customers
- West Vincent Township Chestco 2018 – 750 Customers



# BCWSA Operational Contracts

- PADOT 2013 – 5500LF Storm Water Pipe Replacement
- Upper Southampton Municipal Authority 2013– 2000LF Water and Sewer Line Replacement
- Lower Gwynedd Township 2015 Contract – Pump Station Operations
- Borough of Pottstown 2015 Contract – Scheduled & Emergency Repair Work
- Bristol Borough Water and Sewer Authority 2015 - 200 LF Sewer Line Relocation
- Township Of Falls Authority 2018 Contract – Scheduled & Emergency Repair Work



## **BCWSA & Warrington First Month Transition**

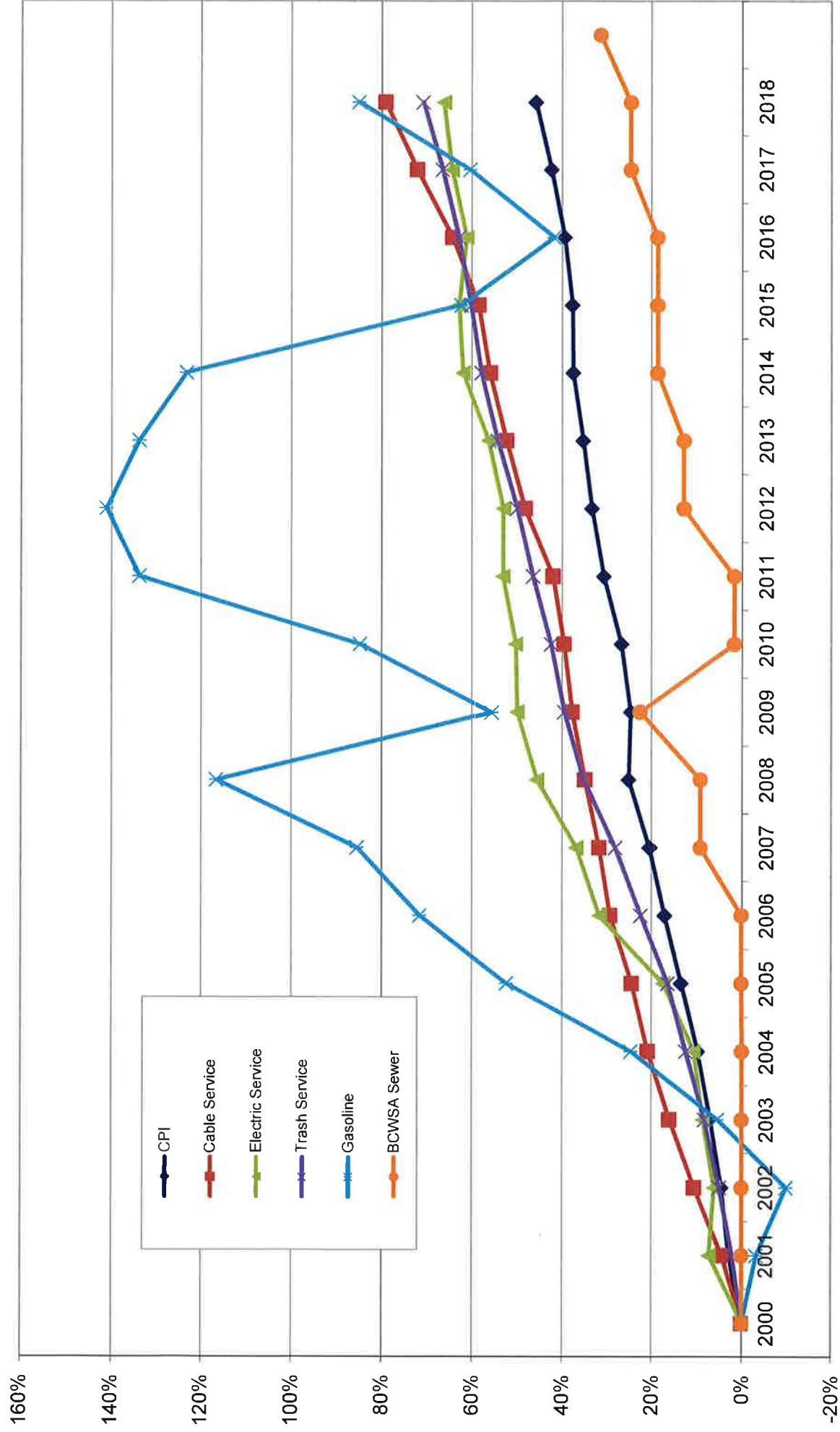
- BCWSA Customer Service to work closely with Warrington Township Customer Service
- BCWSA Operations crews will go over all field related activities with Warrington Township personnel



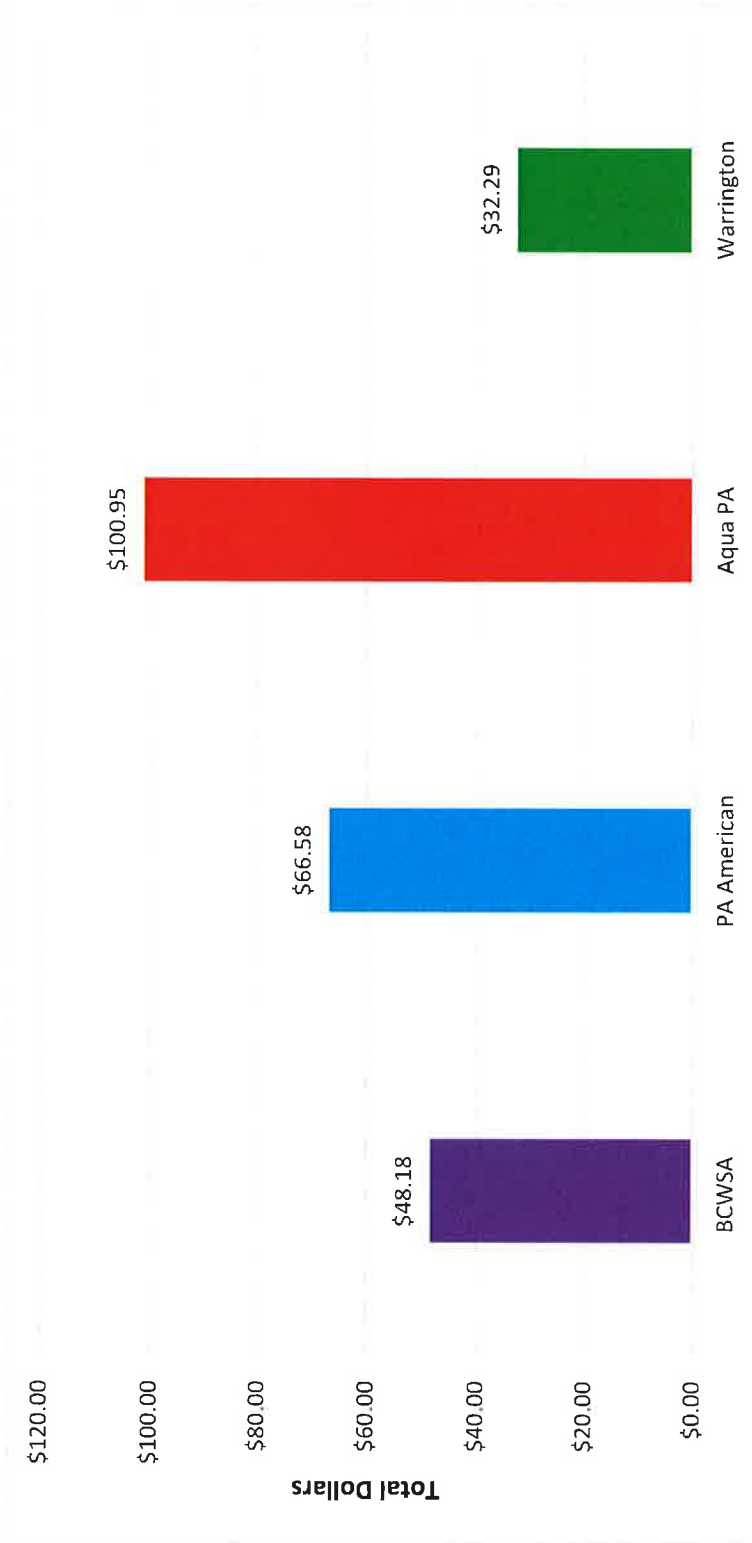
## **BCWSA – Customer Transitional Information**

- **Website**
- **Newsletter**
- **Formal Welcome Letters to New Customers**
  - **New Customer Information Package**
  - **Specific Timeframe to Ensure Coverage**

# Comparative Utility Rate Increases



# Average Monthly Bill

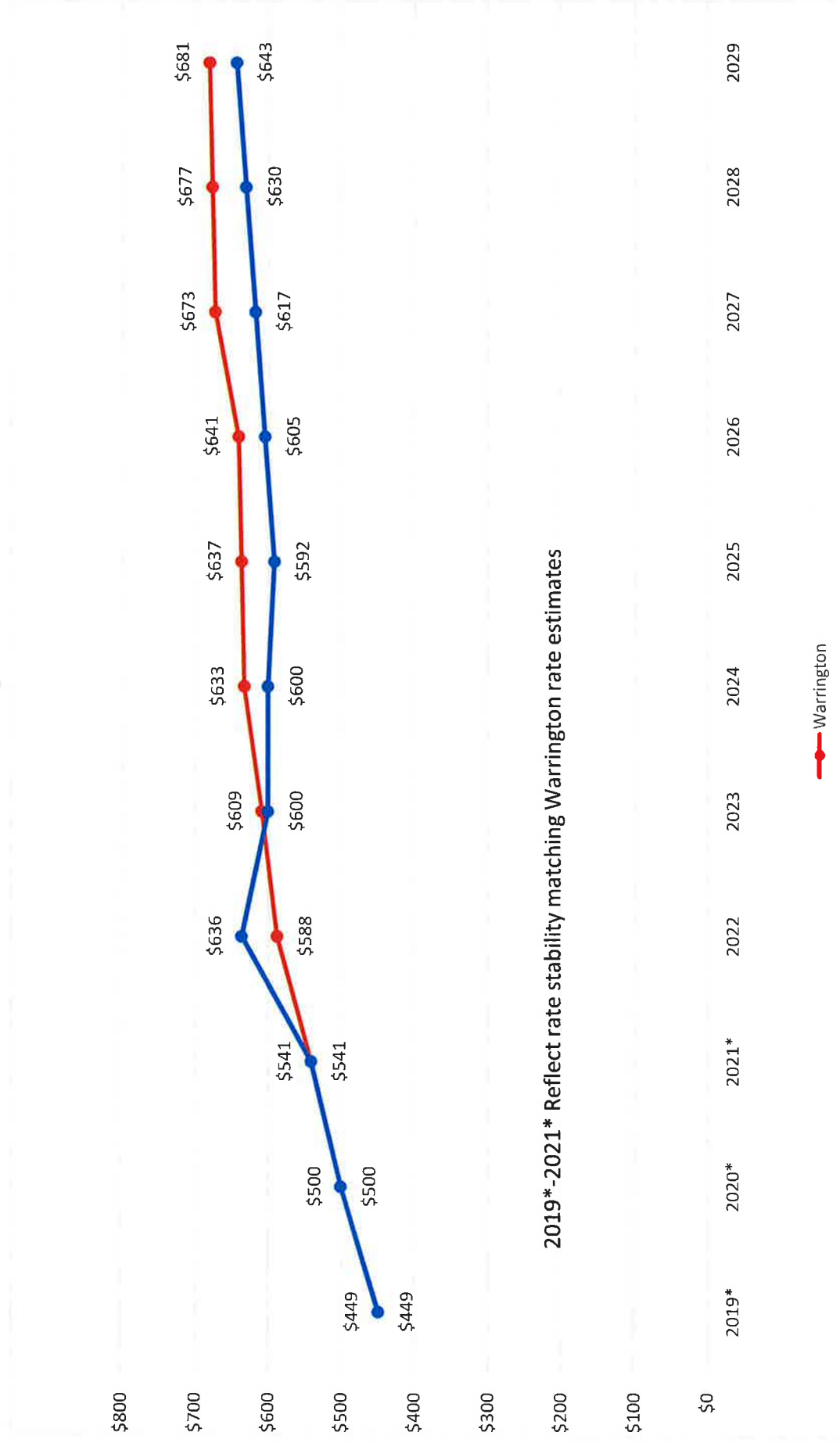


Based on 12,500gal. per Qtr  
PA American Chester County Rates  
Aqua Bucks County Rates





# BCWSA & Warrington Rates





## Issues & Concerns

- Rate Stabilization vs Front End Cash
- Customer Relations / Call Response
  - 8am – 8pm Real Person Cust. Service Coverage (billing)
  - 24/7/365 Real Person Emergency Call Coverage
  - 45 minute – 1 hour Crew on Site Response Time
  - In-House BCWSA Construction / Repair Crew
  - SCADA / Security Options
  - Safe Guard Program

**Thank you**

