



WARRINGTON TOWNSHIP BOARD OF SUPERVISORS

MINUTES FOR JULY 30, 2019 - 7:00pm

The written minutes are a summary of the July 30, 2019 Board of Supervisors meeting. For a complete dialog visit the Township's website, www.warringtontownship.org.

ATTENDANCE

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

Staff present was Barry P. Luber, Township Manager; Terry W. Clemons, Esq., Clemons Richter and Reiss, Township Solicitor; Thomas Zarko, P.E., CKS Engineers, Township Engineer; 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 called the meeting to order at 7:03 P.M. Mr. Gaines announced that Tom Wyatt, Esquire, special council from Obermayer was present and attending the meeting. Mr. Gaines requested all public comments be kept at three minutes.

PLEDGE OF ALLEGIANCE:

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

PRESENTATIONS, DISCUSSION, AND FEEDBACK OF POTENTIAL SALE OF WATER AND/OR SEWER SYSTEMS OF WARRINGTON TOWNSHIP.

Mr. Wyatt presented a summary of the terms and conditions of the Asset Purchase Agreement. (Attachment "A"). Mr. Wyatt noted all of the financial terms. North Wales Water Authority (NWWA) will provide an advisory committee representing Warrington Township. A three year lock with an additional 3-year rate lock, not to exceed 10% increase will be guaranteed. This is still a fifty percent (50%) reduction in the current water rates for Warrington Township. The total purchase price for the water system is \$17,381,000.

Mr. Gaines asked each of the supervisors if they had any questions. Ms. Baker, Ms. Schemm and Ms. Yannich all said they did not.

Ms. Albillar stated that approximately six hundred residents have wells and are not on public water. These residents may want to connect to NWWA at a future date. Is there a cap on the tapping fees?

Robert Bender, Executive Director of NWWA stated their tapping fees have not increased in fourteen (14) years.

Mr. Wyatt reported that Warrington Township has right of first refusal if NWWA would decide to sell at the original depreciated cost.

PUBLIC COMMENTS:

- Sharon Miller (Upper State Road) stated the water system should not be in private hands.
- Steve Happ (928 Argyle) questioned the tapping fees and how to pay for the fees.
- Mike (Lisa Drive) stated the water system should remain with the Township.
- Al Zbik (801 Newberry Court) asked for an explanation of restricted funds.
- Seth Gansman (903 Bentley Court) inquired about the length of the township's cell tower leases; where the kiosk will be located in Lions Pride Park; who will be on the Advisory Committee; ANG funds; loan repayment to Penn VEST and the rate in Section 9A & B, \$3.96/1,000 gallons.
- Jailan Elsarha (955 Easton Road) expressed concern about people still on wells; transfer of ownership; settlement after sale; who gets the funds from the government; health care after sale and natural disaster coverage.
- Janice DeVito (1881 Walnut Lane) expressed concern about the current employees working for the township's water and sewer department.

RESPONSES TO PUBLIC COMMENTS:

Mr. Gaines stated the township is not selling the water system to a non-governmental utility. NWWA is an authority and a public entity; therefore, they cannot make a profit. NWWA does not need to seek a bond which saves the residents money.

Mr. Bender reported that NWWA is chartered as a municipal authority. NWWA does not pay dividends. NWWA charges \$1,225 tapping fee which is half of the water tapping fee of Warrington Township. NWWA has not increased their tapping fee in fourteen (14) years. If a resident cannot pay the fee, they can enter into an installment agreement. NWWA currently serves thirteen municipalities. NWWA is paying Warrington Township \$3,000,000 for the cell tower leases. NWWA current water rate per 1,000 gallons is \$3.60. This rate will hold for a minimum of three years. If the rate goes up, it will be \$3.96 per 1,000 in 2025. The DEP well permits will be transferred to NWWA. Regarding the last natural disaster, which was Hurricane Sandy, not one NWWA customer lost water.

Mr. Gaines stated that Warrington Township has a population of approximately 25,000 residents. Warrington Township is limited to staff and equipment. A larger utility can afford more resources and NWWA costs can be spread over a larger base. For the residents who are not currently connected to the water system, NWWA would be responsible for extending the water lines to those residents.

Mr. Wyatt spoke about pension and health care benefits. Mr. Wyatt stated Lions Pride Park is restricted funds.

Relating to the township's cell towers, Mr. Gaines said NWWA will assume the risk. Mr. Luber stated the cell towers have five (5) year lease terms.

NWWA will take over the ANG contract for any additional work.

Mr. Luber reported the Township owes \$10 million for new capital projects. Currently, the Township owes \$17 million for capital projects.

All current Township Water and Sewer Department employees will be hired by NWWA or whoever purchases the wastewater. NWWA will grant the same tenure, salary will be equal or better and these employees will continue to work on the Warrington Township water system.

Mr. Gaines motioned, seconded by Ms. Yannich to abet the Resolution approving the water system purchase agreement between North Wales Water Authority and Warrington Township. Before a vote was taken, Mr. Gaines asked for discussion.

Ms. Albillar expressed her opinion about the water system purchase.

PUBLIC COMMENTS:

- Jailan Elsarha (955 Easton Road) asked about health effects of contamination.
- Seth Gansman (903 Bentley Court) asked what the motion was for and the effective date of the settlement.

RESPONSES TO PUBLIC COMMENTS:

Mr. Jones reported the Federal, State and Bucks County Board of Health are working on determining the health effects. Information relating to the water contamination and the contact information is listed on the township's website.

Mr. Clemons stated a lawsuit has been filed to provide and address these wells for damages. Any damages recovered will come back to Warrington Township. Mr. Clemons is aware of a class action lawsuit for people who have sustained injuries to cover damages from PFAS.

Mr. Clemons summarized the Resolution and the benefits of the sale.

Mr. Wyatt announced the effective date of the sale is when the agreement is signed. The proposed closing date is October 15, 2019.


Ms. Yannich and Ms. Schemm commented on the number of public meetings held during the course of the year to inform the residents of the potential sale of the water and sewer systems and obtain their opinions. The public meetings started in February and were held in the evenings, including two day meetings, plus two open houses held on a Saturday. According to the Growth Management Plan in the western section of the Township, a developer is responsible for extending the lines to the residents at the cost of the developer.

A roll call vote was taken and the motion passed 5-0.

ADJOURNMENT

There being no further business, Ms. Albillar motioned, seconded by Ms. Schemm to adjourn the meeting at 8:23 PM.

Respectfully Submitted By:


Barbara J. Livrone, Board Secretary

Attachment "A"



**Warrington Township
Water System
Asset Purchase Agreement Review
July 23, 2019**

NWWA Business Terms

- Base Purchase Price- \$14,525,000
- Cellular Lease Buyout- \$2,000,000
- Lion's Pride Informational Kiosk- \$150,000
- Legal and Engineering Expenses- \$70,000
- Transition Staffing Needs- \$355,000

NWWA Business Terms Cont'd

- ROW & Easement Conveyance- \$25,000
- 5-Year Pension Purchase- \$86,000
- 5-Year Health Insurance Differential- \$120,000
- Future Land Development- \$50,000
- Advisory Committee
- 3-Year Rate Lock w/ Additional 3-Year Rate Lock not to exceed 10% Increase

Summary

- Total Price- \$17,381,000
- Restricted Funds- \$631,000
- Remaining Funds- \$16,750,000
- Reserved for Debt- \$8,500,000
- Available Proceeds- \$8,250,000

Public Comment