

NORRISTOWN MUNICIPAL WASTE AUTHORITY
MINUTES OF THE MEETING
NOVEMBER 9, 2016

CALL TO ORDER:

The November meeting of the Board of the Norristown Municipal Waste Authority (“NMWA”) was called to order by Chairman, Gregory Nester, at 6:45 PM in the Norristown Municipal Waste Authority Office.

ROLL CALL:

Board members present:

Gregory Nester
Cathy Lawrence
Fernando Feliciano
Jack Ochnich

Also in attendance:

Ed Rudolph, Rudolph Clarke, LLC
Robert Praga, Remington & Vernick (RVB)
Barry Thompson, Keystone Alliance Consulting

PUBLIC COMMENTS:

None.

APPROVAL OF MINUTES:

On a motion by Mr. Feliciano, seconded by Ms. Lawrence, the NMWA Board unanimously approved the Minutes of the October 12, 2016 Authority Meeting.

STAFF REPORTS:

Mr. Praga reported that RVB has been in contact with the engineer for the new developer of the Kennedy-Kenrick site and is expecting a Sewer Connection Application to be submitted soon to start the sewer review process.

Mr. Praga stated that there was no change or update for either the development in Norristown Centre (Royal Farms) or the Markley Street Section 510 Project.

Mr. Praga noted that the submittal of the application for the sanitary sewer stream crossing permit for the Lafayette Street Corridor Project is being reviewed by the PaDEP.

Mr. Praga indicated that the construction of the Chain Street sanitary sewer extension is essentially complete and temporary paving has been laid down in the street. He added that the contractor will have to wait 60-days, as required by the Municipality, to undertake permanent paving in order to allow for any settling of the surface. Mr. Praga stated that a few punchlist items have been identified and should be addressed shortly by the contractor.

Mr. Thompson, reporting on behalf of the Contract Manager, referred to the monthly maintenance report and stated that for the month of October, the collection system personnel cleaned 37,662 feet of pipe, responded to 115 PA 1 calls and 8 sewer blockage calls, one of which was the responsibility of the NMWA, and installed 55 man-hole rain guards while the wastewater treatment plant had no permit violations and treated an average daily flow of 3,570,000 gallons with a total rainfall of 2.03 inches.

Mr. Thompson, reporting on behalf of BCM, noted that the bid documents for the installation of the Digester Mixing System were advertised and that bids will be received on December 1, 2016 with a recommendation for award to be provided for the December 14, 2016 meeting. He explained that the planned replacement of the old blowers has been put on hold until a report is issued by the PaDEP in connection with the aeration system.

Mr. Thompson, reporting on behalf of SSM, indicated that the items on the punchlist for the Warren Street Pipe Replacement Project have been completed by the contractor and as a result it is expected that the final payment and closeout documents will be submitted to the Authority for the December 14, 2016 meeting.

Mr. Rudolph stated that he had reviewed the bid documents for the Digester Mixing System contract and provided his recommendations to the engineer.

Mr. Thompson noted that the accounts receivable increased slightly from last month but still remained below \$900,000 and that residential shutoffs were still occurring for the moment. He indicated that there was a cash deficit despite higher than normal collections and that the deficit for the year end is anticipated to be at least \$150,000 due primarily to the large increase in maintenance expenses associated with aging equipment at the wastewater treatment plant. Finally, he commented that the operating disbursements for the month of November totaled \$152,041.01 while the capital expenditures amounted to \$29,643.64 and covered engineering payments to BCM and SSM.

OLD BUSINESS:

None

NEW BUSINESS:

Mr. Thompson reminded the NMWA Board that he distributed a draft operating budget for 2017 that showed a deficit of \$55,000 under the current sewer rates. He pointed out that the budget did not include any costs for the replacement of a supervisor or the implementation of the sewer lateral inspection program because of the uncertainty of the timing of these actions but he indicated that these additional expenses were inevitable for 2017 and therefore would increase the projected budgetary deficit. He also noted that the number for maintenance in the budget was based on a 5-year average but that it is difficult to predict the actual amount. Finally, he stated that one of the requirements of the Authority bank loan is to insure that the revenue is sufficient to pay the expenses and debt service on the loan. Accordingly, Mr. Thompson suggested that a sewer rate increase be considered.

Mr. Thompson presented several rate scenarios and the impact of each scenario on customers at different usage levels. After an extensive discussion focusing on the need to restructure the rates and provide sufficient revenue, the NMWA Board agreed to the following monthly sewer charges:

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|--|--------------------------|
| Service Charge | \$10.00 |
| Water usage from 0 to 2,300 gallons | \$3.00 per 1,000 gallons |
| Water usage in excess of 2,300 gallons | \$6.10 per 1,000 gallons |

On a motion by Mr. Feliciano, seconded by Mr. Ochnich, the NMWA Board unanimously approved Resolution No. 2016-11-01 regarding an increase in sewer rates.

MONTHLY DISBURSEMENTS TO VENDORS AND FOR PROFESSIONAL SERVICES:

| | |
|--|---------------------|
| Total Operation Disbursements for November | \$152,041.01 |
| Capital Expenditures | \$29,643.64 |
| Developer Escrow | \$350.00 |
| TOTALS FOR NOVEMBER | \$182,034.65 |

On a motion by Mr. Ochnich, seconded by Mr. Feliciano, the NMWA Board unanimously approved the monthly disbursements for November 2016 in the total amount of \$182,034.65.

OTHER COMMENTS:

The next NMWA Board Meeting is scheduled for December 14, 2016 at 6:15 PM in the NMWA office.

ADJOURNMENT:

On a motion by Mr. Ochnich, seconded by Ms. Lawrence, and unanimously approved by the Board, the NMWA Meeting was adjourned.

SUBMITTED BY:

BARRY THOMPSON

