

NORTHAMPTON BOROUGH MUNICIPAL AUTHORITY
MINUTES

Northampton, PA – March 19, 2024

The rescheduled monthly meeting of the Board of the Northampton Borough Municipal Authority (NBMA) was held at 5:00 p.m. on March 19, 2024 in the NBMA Edward D. Hozza, Sr., Board Room, 1 Clear Springs Drive, Northampton, PA. Chairman Deily, Vice Chairman Glassic, Board Members Haldeman, Hucaluk and Lopsonzski were present. Also, in attendance were, Mr. Stephen J. Kerbacher, General Manager /Secretary, Mrs. Lori Schwartz, Treasurer/ Comptroller, Mr. Scott Steirer, Solicitor and Mr. Scott Hughes, Gannett Fleming, Inc.

Pledge of Allegiance to the American Flag.

Upon motion by Mr. Glassic and Ms. Haldeman, the Board unanimously approved the minutes of the monthly meeting held February 13, 2024 and the February 2024 Cash Vouchers.

Chairman's Report:

PA – AWWA Conference – May 13-15, 2024, Lancaster, Marriott

ACE – AWWA – June 10-13, 2024, Anaheim, CA.

Appointment of Board Member – Letter dated February 16, 2024

Dear Mr. Kerbacher:

I am pleased to inform you the Northampton Borough Council at their meeting held on February 15, 2024, has unanimously appointed Kathleen Hucaluk to fill the vacant seat on the Northampton Borough Municipal Authority Board of Directors. Her appointment was effective on February 15, 2024, and will expire on December 31, 2025.

Feel free to contact me with any questions or concerns.

Sincerely, LeRoy Brobst, Borough Manager.

Treasurer/Comptroller Report:

The Treasurer/Comptroller reviewed the 2024 budget with Board Members, explaining the different income and expense categories, trying to help them understand it more clearly. Starting with the 2023 income, she broke down revenue received in meter sales categories, developers' contribution and capacity fees. She then went on to explain what criteria she used and how she budgeted revenues for the next fiscal year. Next, she went on to discuss the amount of the 2023 maintenance expenses and how they may fluctuate due to the repair cost amounts. High repair costs will not be a maintenance expense but a capitalized fixed asset. She then discussed operating expenses and how adjusting entries by the auditor, raise or lower them significantly, which can result in big differences between the prior year actuals and the next year's budget numbers. Lastly, she went onto replacement and renewals and explained it is the amount of revenues left over after calculating 120% of the debt service due that year. She let the Board know the replacement and renewals amount in fiscal year 2024-2025 this is very low \$320,000.00 and we spent \$160,000.00 on meter replacement in a year. She explained last five fiscal years replacement and renewals ranged from \$845,585.00 to \$1,201,304.00 last year and that we would be most likely have to use bond redemption and improvement fund reserves again this fiscal year. Next fiscal year with the addition of the Pennvest loan debt of \$300,000.00 to \$360,000.00 replacement and renewals will be close to zero and a rate increase will most likely be needed.

The Treasurer/Comptroller discussed the Grundy Worldwide (Package Policy Renewal) – for \$129,465.00 for 2024 vs. \$113,017.00 for 2023.

Upon motion by Messrs. Glassic and Lopsonzski, the Board unanimously approved Grundy Worldwide (Package Policy Renewal) – April 1, 2024 to March 31, 2025 at a cost of \$129,465.00. The prior year amount was \$113,017.00, an increase of \$16,448.00 for 2024.

The Treasurer/Comptroller presented the following invoices for approval:

Gannett Fleming, Inc. – Invoices:

The Gannett Fleming Invoices covering January services, see below:

N.B.M.A. – Minutes – March 19, 2024 – Page 3

Gannett Fleming, Inc. (GFI) dated March 8, 2024, for professional services rendered through February 23, 2024. Assist NBMA with Cementon Tank No. 2 and Tank No. 1 Project, including Preliminary Investigations, Final Designs, Permitting, Pennvest, Bid Phase and Construction Phase Services. Cementon Tanks Project. Total due this invoice \$4,769.79.

Gannett Fleming, Inc. (GFI) dated March 8, 2024, for professional services rendered through February 23, 2024. Provide general engineering services related to NBMA Water Systems facilities and operations, including meeting attendance, consulting advice, SDWA compliance, main extensions and replacements, Trust Indenture requirements, etc. General Consulting Services. Total due this invoice \$719.67.

Gannett Fleming, Inc. (GFI) dated March 8, 2024, for professional services rendered through February 23, 2024. Review CE Report and Budget Forecast and provide rate/debt service coverage certification, as required by the Trust Indenture. 24C-CE Report and Budget Forecast. Total due this invoice \$256.44.

Gannett Fleming, Inc. (GFI) dated March 8, 2024, for professional services rendered through February 23, 2024. Conduct an annual inspection of water system facilities, evaluate operating procedures and provide a written report. Total due this invoice \$3,135.24.

Gannett Fleming, Inc. (GFI) dated March 8, 2024, for professional services rendered through February 23, 2024. Assist NBMA with the Cementon Reservoir Cover and Lining Project, including Designs, Permitting, Bid Phase and Construction Phase Services. Cementon Res. Cover & Lining Project. Total due \$10,473.69.

Total Invoices \$19,354.83.

Upon recommendation of Mr. Martin Hozza and Mr. Stephen Kerbacher, the Board upon motion by Ms. Haldeman and Mr. Lopsonzski, approved the invoices dated March 8, 2024 from Gannett Fleming, Inc. in the total amount of \$19,354.83.

DN Tank Application - Cementon Tank #2 Pennvest Loan there was no bill this month.

N.B.M.A. – Minutes – March 19, 2024 – Page 4

The Treasurer/Comptroller presented an invoice from Pierce and Steirer, LLC dated March 4, 2024, for professional services rendered for the month of February 2024 in the amount of \$469.85. Total year to date \$1,650.45.

Upon motion by Messrs. Glassic and Lopsonzski, the Board unanimously approved the invoice from Pierce and Steirer, LLC dated March 4, 2024, for professional services rendered for the month of February 2024 in the amount of \$469.85.

The Treasurer/Comptroller presented the February 2024 NBMA Consumption Report, January 2023 Operating Financial Statements, Replacement and Renewals and Delinquent Water Account Status at this time.

The Treasurer/Comptroller reported on the new NBMA Accounts Metered – Thirteen (13) - new meters were installed in February – (3-Northampton, 7-Allen Township, 2-North Catasauqua, 0-Laury's Station, 0-Coplay, 0-W. Catasauqua, 1-Fullerton, 0-Hokendauqua, 0-Stiles, 0-Egypt, 0-Cementon, 0-North Whitehall, 0-Clearview, & 0-Water Hauler). Calendar Year to Date –25; New accounts Fiscal Year 2023 to 2024 to Date-129. The information pertinent to new connections was sent to the Borough of Northampton and Allen Township.

The Treasurer/Comptroller reported NBMA replaced 542 Meters and 551 MXU's, fiscal year to date. Total cost of Meters and MXU's fiscal year to date \$154,789.33.

The Treasurer/Comptroller presented the following M&T Bank 2003 Requisitions as follows:

M&T BANK 2003 REQUISITIONS:

2003 Revenue Fund Requisition #1 - \$479,743.00 –April 2024 Budget Expenses, Operating Expenses, Maintenance Expenses, Inventory, Trustee Fees.

2003 Revenue Fund Requisition #33 – \$13,840.00 – February 2024 Meter & MXU & Reimbursement & Replacement Program.

2003 Construction Fund Requisition #6 - \$124,046.49 - NBMA – Greenleaf Fields (Old Post & Bellview Roads)

N.B.M.A. – Minutes – March 19, 2024 – Page 5

2003 Construction Fund Requisition #7 - \$170,603.99 – Tuskes Home - Greenleaf Field Project – Maple Street \$170,603.99.

Total all Requisitions: \$788,233.48.

Upon motion by Messrs. Lopsonzski and Glassic, the Board unanimously approved the 2003 Revenue and 2003 Construction Funds as listed above in the total amount of \$788,233.48 contingent upon approval by Gannett Fleming, Inc.

*PLGIT – Certificates of Deposits in the total of \$6,963,000.00 and cash of \$346,663.82 are held for the following Restricted Funds of the NBMA Trust Indenture at M&T Bank: Bond Redemption & Improvement Account, Emergency Repair Fund, Revenue Fund and Debt Service Reserve Fund. The projected interest upon maturity on the Certificates of Deposit invested for these funds is \$380,927.86. The Federated Money Market (Direct Obligations of the US Government) at M&T Bank has a yield of 5.00%, the Certificate of Deposit investments with PLGIT are currently yielding 5.00%-5.66%.

Bond Redemption & Improvement Fund

Resolution - # 227 - On February 23, 2024, a \$237,000.00 – 365 CD, with a net interest rate of 5.25%/5.10% and interest at maturity will be \$12,510.68.

Upon motion by Ms. Haldeman and Mr. Lopsonzski, the Board unanimously approved the Resolution #227 for the Bond Redemption & Improvement Fund as presented above to be submitted to M&T Bank.

Water Write-off – (Northampton) has (0) zero uncollectable as of December 31, 2023 = \$0.00. Letter to Borough of Northampton on same as customary.

Sewer Write-off – (Northampton) has (0) zero uncollectable as of December 31, 2023 = \$0.00. Letter to Borough of Northampton on same as customary.

Sewer Write-off – (Allen Township) has (0) zero uncollectable as of December 31, 2023 = \$0.00. Letter to Allen Township on same as customary.

MANAGER’S REPORT:

Managers’ Report:

Mr. Kerbacher reported that the bid for Pipe & Fittings & Water Treatment Plant Chemicals for the fiscal year April 1, 2024 to March 31, 2025, were received in the Authority office on Thursday, March 14, 2024, as advertised in the Express-Times on Wednesday, February 14, 2024.

The Staff recommendation is to award the bids as follows, based on low bids and meeting NBMA bid specifications. The bid tabulation was distributed to the Board and Staff for all item bid. The bids for pipe and fittings will be recommended for award as follows:

Ductile Iron Pipe: McWane Ductile
Pipe Fittings: Ferguson

On recommendation of Mr. Kerbacher, the Board upon motion by Messrs. Glassic and Lopsonzski, awarded the Ductile Iron Pipe for fiscal year April 1, 2024 to March 31, 2025 as presented above, based on the low bid and meeting all NBMA Specifications.

The Chemical Bids are as follows:

Polyacrylamide – Brenntag Northeast, Inc.
Aluminum Sulfate – Usalco (extended for one more year 2024-2025)
Zinc Orthophosphate – Shannon Chemical Co.
Sodium Hypochlorite – J.C.I. Jones Chemical, Inc.
Fluorosilicic Acid – Univar USA
Sodium Bisulfite – Coyne Chemical
Powered Activated Carbon (Bulk) – Coyne Chemical
Sodium Hydroxide (25%) - Univar
Sodium Hydroxide (50%) - Univar

Awarded Water Treatment Plant Chemicals for fiscal year April 1, 2024 to March 31, 2025.

N.B.M.A. – Minutes – March 19, 2024 – Page 7

On recommendation of Mr. Martin Hozza, Water Treatment Plant Manager, the Board upon motion by Ms. Haldeman and Mrs. Hucaluk, the awarded the Water Treatment Chemicals as presented above for the fiscal year April 1, 2024 to March 31, 2025, based on the low bid and meeting all NBMA Specifications.

Mr. Kerbacher recommended extending the current contract for the following Chemicals:

The Board accepted the offer from USALCO to extend the contract for Aluminum Sulfate for an additional one (1) year period (April 1, 2024 to March 31, 2025) at a price of \$1.4250 per gallon per the terms stated in Section K of the Aluminum Sulfate Specifications and Quantities.

Staff Meeting – Mr. Kerbacher reported that the NBMA Staff Meeting was held on Thursday, March 14, 2024 at 9:00 a.m. in the NBMA Headquarters Building and also the opening of bids for Pipe & Fitting 2024-2025 and Water Treatment Chemical Bids for 2024-2025.

On the recommendation of Mr. Kerbacher, the Board, upon motion by Messrs. Glassic and Lopsonzski, unanimously authorized an increase in salary effective March 21, 2024 from \$26.61 to \$31.01 per hour (approved 2 steps of raise) for Mr. Daniel Boyle – based on the six (6) month review presented and discussed by the Manager. Mr. Boyle was employed on March 21, 2022.

Mr. Kerbacher present the Water Distribution System Construction Summary for 2023. A brief discussion followed on same.

Mr. Kerbacher informed the Board that NBMA received the annual rent check in the amount of \$945.00 on February 22, 2024 from Newhard Farms (Cactus Farm) to farm the property at the Hutnick Farm located at 5124 Mulberry Street, Coplay, PA for 2024.

Summer Employees List 2024 – Mr. Kerbacher requested approval to hire summer employees as needed to cover the work load for 2024. Mr. Kerbacher recommended the new pay rates of \$11.00 (eleven) (1st year employee), \$12.00 (twelve) (2nd year employee), \$13.00 (thirteen), (3rd year employee). Increase up \$1.00 each step for 2024.

N.B.M.A. – Minutes – March 19, 2024 – Page 8

Upon motion by Mr. Lopsonzski and Mrs. Hucaluk, the board approved the hiring of summer employees for 2024 at the pay rate shown above.

Mr. Kerbacher reported that the February 2024 Authority Magazine was distributed to the Board.

Operations Report:

Mr. Stephen Kerbacher referred to the Operation's Report for March 2024. Construction projects completed in February 2024 were presented as well as current projects underway in the month of March 2024. A list of upcoming scheduled projects and potential proposed projects were presented.

New 3MG Cementon Tank #2 – Mr. Kerbacher updated the Board on the project. Construction of Tank #2 is complete. The PA DEP operating permit has been received and Tank #2 has been placed into service. Tank #1 has been drained and inspected and the cost estimate for rehabilitation is \$853,750.00 which is over the bid allocation of \$500,000.00. Gannett Fleming will be submitting a change order to PA DEP and Pennvest for the additional cost. This will not increase the original project bid of \$5,412,500.00. A brief discussion followed.

SR 0329 Cementon Bridge Replacement – Mr. Kerbacher reported that the bids for this project were opened on January 12, 2023 and the apparent low bidder was Richard E. Pierson Construction Company from Woodstown, NJ at bid amount of \$21,724,776.64. A brief discussion followed. Mr. Kerbacher reported that utility relocation is being performed by PPL and Verizon at this time. Water line relocation will happen at a later date. No further updates at this time.

Meter Reading / AMI Study – Mr. Kerbacher updated the Board on the Meter Reading / AMI Study. This study evaluates the ability to read meters remotely with a fixed tower network system. The study has been completed and the location of 3 fixed radio stations has been determined. No action will be taken at this time. NBMA will continue with the current meter replacement program, continuing to monitor the situation. A brief discussion followed.

Taste & Odor – Mr. Kerbacher reported that there are no taste and odor issues at this time.

N.B.M.A. – Minutes – March 19, 2024 – Page 9

Monthly Water Treatment Plant Report – Mr. Kerbacher reported on the monthly NBMA Water Treatment Plant report.

Upon motion by Messrs. Lopsonzski and Glassic, the Board unanimously approved Authorization #4 as prepared by Mr. Kerbacher, General Manager, pending the approval of Gannett Fleming, Inc. LLC. The Authorization is as follows:

Authorization #4: Estimated cost to install approximately 840 feet of 8-inch ductile iron pipe with appurtenances in Black Forest Drive (140-foot) Hornbeam Drive (70-foot) and Chestnut Drive (630') to provide water service to Timberidge Luxury Apartments, North Whitehall Township, Lehigh County. Also 6 – 2-inch service connections & 2 – fire hydrants. Applicant Vanguard Development Group, Inc., 1801 Fruitville Pike S-200 Lancaster, PA 17601. Total cost to applicant \$74,555.00. All rock excavation extra, at current price at time of installation \$120.00 per cubic yard.

ENGINEERS' REPORT: (Mr. Scott Hughes was in attendance)

Mr. Kerbacher, General Manager along with Mr. R. Scott Hughes, Gannett Fleming, Inc. reviewed the Consulting Engineers Report and Budget Forecast for fiscal year ending March 31, 2024 with the Board and Officers at this time. Mr. Hughes suggested that NBMA Financial status is fine right now but should be monitored and reviewed again in September 2024. The Board questioned what was a good amount to have in reserves, Mr. Hughes stated 33% to 50% of yearly revenues. The Board also questioned the asset management plan the engineers are working on and a brief discussion followed. Mr. Hughes explained that NBMA could work the asset management plan into future budgets provided that sufficient funds available to complete the higher priority items on the plan.

Upon motion by Ms. Haldeman and Mr. Glassic, the Board noted to unanimously approve Resolution #1 for Trustee M&T Bank, adopting the April 1, 2024 to March 31, 2025, Northampton Borough Municipal Authority Budget Forecast and Consulting Engineer's Report.

SOLICITOR’S REPORT:

Old Business

1. Liens and Satisfactions – \$5,115.61 worth of Liens, continuing.
2. LCA-DEP Permit
3. Act 151 Policy
4. Bower – Fire Hydrant

New Business

No new business.

Upon motion by Ms. Haldeman and Mr. Lopsonzski, the Board unanimously agreed to adjourn at 6:35 p.m. to meet in a regular session on Tuesday, April 9, 2024 at 5:00 p.m. in the NBMA Headquarters Building.



Stephen J. Kerbacher, General Manager

Visitor(s) 1 Total year to date 2 .