



North Wales Water Authority



"The more things change, the more they stay the same."

**2023
ANNUAL
REPORT**

BOARD OF DIRECTORS



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OUR MISSION

At North Wales Water Authority, our mission is to maintain our position as a premier authority in water management, quality assurance, and delivery. We are committed to excellence across all facets of our operations, including water treatment, conservation initiatives, and customer service. Through continual innovation and dedication, we aim to exceed expectations, ensuring the provision of high-quality drinking water while responsibly managing our precious water resources. Our unwavering focus on excellence drives us to continually improve and adapt to meet the evolving needs of our community, setting the standard for water management and service delivery.

OUR VISION

Driven by an unwavering dedication to environmental stewardship and the well-being of our community, we are at the forefront of innovation, employing cutting-edge technologies and best practices to ensure the delivery of unparalleled quality drinking water. Our team of experts is relentless in safeguarding our precious water resources, adeptly mitigating risks, and adapting to ever-evolving needs. With a clear vision for a sustainable future, we pledge to continue our relentless pursuit of excellence in service to public health and environmental preservation.

In 1849, French writer Jean-Baptiste Alphonse Karr wrote “plus ça change, plus c’est la même chose”

“THE MORE THINGS CHANGE, THE MORE THEY STAY THE SAME”

We at the North Wales Water Authority (NWWA) believe that sometimes staying the same during changing times can be a good thing.

WHAT HAS REMAINED THE SAME:

For over 70 years, the NWWA has provided a safe and clean public water supply to our customers, with the following unchanging objectives:

- Always provide safe and clean water to our customers and communities served.
- Maintain fair water rates – we have had the lowest rates around for many years.
- Hire and retain highly qualified staff, providing continual education and training.
- Stay on the forefront of technology – our award-winning water plant is evidence.
- Keep ahead of changing rules and regulations for safe water, State and Federal.
- Operate as a Publicly Owned and Operated Not for Profit Independent Authority.

These objectives have remained unchanged for many decades, and it is our intention that they will remain as such, even as the industry constantly changes.

WHAT CHANGES HAVE WE FACED OVER THE PAST FEW YEARS?

- Continual increases in mandated water sampling and testing criteria.
- New Lead and Copper tracking and removal regulations
- Increased annual licensing and testing requirements for all of our operators
- Recent groundwater contamination in our region from a nearby military base.
- Covid related restrictions and supply chain delays in obtaining many supplies
- Unprecedented increases in costs in many materials and supplies
- Maintaining Consumer confidence in public water supplies

HOW HAS THE AUTHORITY MANAGED EACH CHANGE?

Continual increases in mandated water sampling and testing criteria.

In response to these mandates, the NWWA purchased more sophisticated testing equipment, hired, and trained additional staff dedicated to sampling, testing, and maintaining water quality throughout our system.

New Lead and Copper tracking and removal regulations.

The individuals referenced above have taken on the additional responsibilities for our Lead and Copper program. We have offered free lead testing kits to our customers, and all of our field technicians have been trained on how to identify and replace lead water service lines, and how to test for the presence of these substances in our water supplies.

Increased annual licensing and testing requirements for all of our operators.

In order to maximize cross training and the efficiency of our regular and emergency repair crews, it is our policy to encourage and reward all of our operations crew members to study and train for the highest levels of licenses possible. At this time we have many of our operators holding the highest level of water operators licenses available in the State, with our more recent hires in the process!

Recent groundwater contamination in our region from a nearby military base.

The NWWA water supply has not experienced the contamination problems now facing many of our neighboring water systems and municipalities. In fact, the NWWA has been contacted by many for guidance and assistance in handling these problems, as well as to purchase bulk water from the NWWA. Information about our water treatment processes can be found at this link: www.nwwater.com/treatment-process/

Covid related restrictions and supply chain delays in obtaining many supplies.

This is a real challenge throughout the water industry, including at the NWWA. However, by participating in joint purchasing programs at the state level, and through local joint efforts, we have mitigated the impacts. Additionally, the NWWA seeks competitive bids for most purchases, and typically obtains multiple quotations for items not requiring a formal bid process. We purchase in bulk whenever possible, and maintain a warehouse adequately stocked in order to respond in a timely manner to main breaks and other emergencies.



Unprecedented increases in costs in many materials and supplies.

In addition to finding the materials and supplies needed of our daily operations, we have recently faced tremendous increases in the materials and supplies we can obtain. The costs of metal water main have increased by as much as 40% over just the past 36 months, causing the per foot cost of installing new water main on one recent project to increase from what was about \$250.00 per foot, three years ago, to a current cost exceeding \$400.00 per foot at the present time! By competitive bidding, joint purchasing, prioritizing replacement projects, and by arranging for joint projects with local municipalities and PennDOT, we can sometimes share costs, such as repaving, saving both the local taxpayers and water customers significantly. We will continue to seek and employ these cost savings at every opportunity.

Maintaining Consumer confidence in public water supplies.

We believe that maintaining honest and open communications with our customers, and offering educational materials on our system, processes, and overall operations is an important first step in maintaining consumer confidence in our water supplies. Participating in community events and outreach opportunities is important to our success, as is maintaining good communications with the elected and appointed officials of the communities we serve.

In summary, our objectives remain unchanged.

- *Always providing safe and clean water.*
- *Maintaining fair water rates*
- *Hiring and retaining highly qualified staff*
- *Staying on the forefront of technology*
- *Keeping ahead of changing rules and regulations*
- *Operating as a Publicly Owned and Operated Not for Profit Authority*

These guidelines have not changed for years, nor has our policy of remaining as a leader in our industry, and we intend to remain dedicated to these values as we serve our valued customers and the communities we serve in the coming years.

**North Wales Water Authority
Board of Directors**

Although our commitment to always provide our customers with safe and clean water remains unchanged, the water industry is now experiencing significant changes that impact on our operations. Here are just a few:

Changes:

1. Climate Change and Extreme Weather Events:

Climate change impacts our water resources as when average daily temperatures increase, there is a corresponding increase in demand on water consumption - especially during periods of summer drought. The NWWA is now considering methods of increasing our available capacity in order to better service our domestic customers and the communities reliant upon our fire service water supplies.

2. Demands for New Digital Technologies:

As we now face issues involving Cyber Security, protecting critical customer data from hacking and other intrusions has become ever more important. Nefarious activities such as Ransomware have required that we quickly adapt and employ many new technologies. The NWWA currently employes several professionals and uses many levels of protection, with additional security improvements now underway.

3. Advanced Filtration Techniques:

As many customers know from local media reports, PFAS contamination of the local aquifers, reportedly from the former Willow Grove Military installation, all local water suppliers have had to consider and employ new and costly water sampling and testing processes, and to utilize new innovative filtration techniques to ensure safe and clean water for their customers. We remain at the forefront of this effort, and many of our neighboring Municipalities and Authorities have turned to the NWWA for technical assistance and guidance, and to purchase safe and clean non-detect water from our Forest Park water treatment plant.

Consistencies:

1. Infrastructure Challenges:

Aging infrastructure remains a top challenge for the water industry². At the NWWA both an asset management plan, coupled with long term budgeting helps us keep pace with the maintenance required by our infrastructure. We currently maintain over 570 miles of water main, and over 3000 fire hydrants in the communities we serve.

2. Water Supply:

Long-term water supply continues to be a critical issue requiring our attention. As local populations and non-residential uses continue to grow, so does the demand for water. Coupled with the closure of many municipal wells in our area due to contamination, we must continue planning to meet both current and future demands. The NWWA, in partnership with the neighboring NPWA, is currently assessing our options in increasing water capacities and production at our Forest Park Plant.

3. Public Understanding:

The need for public knowledge and understanding of the value of water resources is a rising issue. In an effort to provide our customers with pertinent and timely information, the NWWA is increasing information made available through our website, and as part of many publications, including periodic newsletters and our annual Consumer Confidence Report.

Despite these changes, as previously promised, our core mission of providing safe, clean, and reliable water supplies remains the same. While we continue to adapt, we pledge to remain true to our fundamental duties and purpose.



FINANCIAL STATEMENTS

Statement of Net Position - December 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents - unrestricted	\$ 6,194,810
Accounts receivable	
Billed water and sewer charges	890,698
Unbilled water and sewer charges	2,102,659
Other	2,433,947
Lease receivable - current portion	471,598
Inventory	1,629,956
Prepaid insurance and other expenses	402,274
TOTAL CURRENT ASSETS	14,125,942

RESTRICTED ASSETS

Cash and cash equivalents - restricted	19,241,581
Investments - restricted - market value	2,735,000
Interest receivable - restricted	11,116
TOTAL RESTRICTED ASSETS	21,987,697

INVESTMENT IN FOREST PARK PROJECT, net

Forest Park Water	75,811,205
Point Pleasant Pumping Station	15,315,103
PECO energy contract	152,348
Total investment in Forest Park Project	91,278,656
Less accumulated depreciation	(58,685,190)
NET INVESTMENT IN FOREST PARK PROJECT	32,593,466

CAPITAL ASSETS

Property, plant and equipment	238,317,287
Less accumulated depreciation	(70,265,642)
NET CAPITAL ASSETS	168,051,645

OTHER ASSETS

Lease receivable - noncurrent portion	7,824,940
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TOTAL ASSETS

	244,583,690
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DEFERRED OUTFLOWS OF RESOURCES

Unamortized deferred charge on bond refunding	209,358
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LIABILITIES

CURRENT LIABILITIES

Accounts payable and FPW requisition payable	\$ 2,327,211
Current maturities of bonds payable	5,055,000
Accrued compensated absences	405,820
Accrued interest payable on bonds	962,654
Developer, consumers, and other deposits	739,320
MIRIA prepaid water bills	72,064
Unearned service connection fees	231,543
TOTAL CURRENT LIABILITIES	9,793,612

LONG-TERM LIABILITIES

Bonds payable- net of current maturities	49,265,000
Unamortized bond premium, net	4,286,654
TOTAL LONG-TERM LIABILITIES	53,551,654

TOTAL LIABILITIES

	63,345,266
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources, leases	7,337,724
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NET POSITION

Net investment in capital assets, net of related debt	142,038,457
Restricted	21,987,697
Unrestricted	10,083,904

TOTAL NET POSITION

	\$174,110,058
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Statement of Revenues, Expenses, and Changes in Net Position - For the Year Ended December 31, 2023

OPERATING REVENUES

Metered sales	\$ 17,725,261
Unmetered sales	848,528
Other operating revenues	12,325,143
TOTAL OPERATING REVENUES	30,898,932

OPERATING EXPENSES

General operations	1,500,980
Water collection system	7,535,850
Pumping system	546,801
Distribution system	1,424,848
Vehicles and equipment	319,969
Facilities maintenance	447,116
Metering, billing, and customer service	1,281,618
PA One Call	165,151
Water quality	553,088
Wastewater collection and treatment	468,978
General and administrative	5,131,032
TOTAL OPERATING EXPENSES, before depreciation and amortization expense	19,375,431

OPERATING INCOME, before depreciation, and amortization expense	11,523,501
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DEPRECIATION AND AMORTIZATION EXPENSE

North Wales Water Authority	3,458,447
Forest Park Water	1,560,000
Point Pleasant Pumping Station - PECO energy contract	1,210,000
TOTAL DEPRECIATION AND AMORTIZATION	6,228,447

OPERATING INCOME	5,295,054
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NON-OPERATING REVENUES (EXPENSES)

Investment and rental income	2,052,589
Loss on sale of fixed assets	(6,781)
Contributions in aid of construction	5,138,974
Interest expense on revenue bonds	(2,024,347)
TOTAL NON-OPERATING REVENUE (EXPENSES)	5,160,435

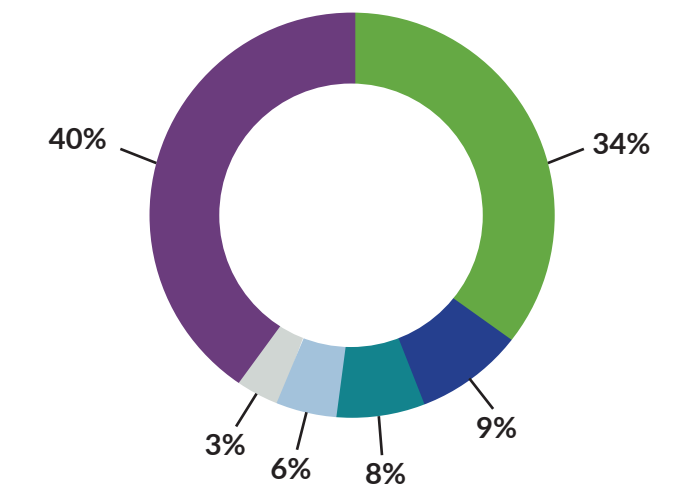
CHANGE IN NET POSITION	10,455,489
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NET POSITION- JANUARY 1, 2023	163,654,569
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NET POSITION- DECEMBER 31, 2023	\$174,110,058
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2022/2023 ACTUAL SALES

- Other Operating Revenue
- Domestic
- Utility
- Industrial/Public
- Commercial
- Unmetered



Statement of Cash Flows
For the Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$29,854,990
Cash paid to suppliers for goods and services	(13,895,123)
Cash paid to employees for services and related expenses	(5,863,805)
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,096,062
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from rental of capital assets	631,180
Contributions in aid of construction	5,138,974
Principal paid on revenue bonds	(6,205,000)
Interest paid on revenue bonds	(2,024,347)
Proceeds from issuance of long-term debt	16,000,000
Additions to investment in Forest Park Project	(2,687,926)
Acquisition and construction of capital assets	(19,613,491)
NET CASH (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(8,760,610)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	1,249,627
Net proceeds from maturities of investments	(11,659,721)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(12,909,348)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,244,800
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS - JANUARY 1, 2023	11,191,591
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS - DECEMBER 31, 2023	\$25,436,391
RECONCILIATION OF OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION EXPENSE TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income, before depreciation and amortization expense	
Adjustments to reconcile operating income, before depreciation and amortization expense, to net cash provided by operating activities	11,523,501
Increase (decrease) in	
Accounts receivable	(1,043,942)
Accrued interest receivable	45,753
Inventory	(517,405)
Prepaid insurance and other expenses	61,590
Increase (decrease) in	
Accounts payable and FPW requisition payable	80,248
Developer, consumers, and other deposits	(141,692)
Accrued interest payable on bonds	182,625
Accrued compensated absences	35,731
Unearned service connection fees and MIRIA credited water billings	(130,347)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 10,096,062

SERVICE STATISTICS

Includes all Systems

Water Main Installations and Replacements for 2023

The Authority maintains over 3 million feet of water main in the system, that's over 570 MILES OF PIPE. Water main in the water system varies in size from 4 inch to 42 inch.

In 2023 the Authority installed a total of 30,628.8 feet and replaced a total of 7694.02 feet.

	New Water Main Installation	Water Main Replacements
4 inch	-	1.64 ft.
6 inch	731.08 ft.	-
8 inch	3407.26 ft.	4180 ft.
10 inch	-	660 ft.
12 inch	1430.04 ft.	2852.38 ft.
16 inch	25,060.92 ft.	-

New and Replaced Services, Meters and Fire Hydrants	
New Services Installed	196
Renewed Services	34
New Meters Installed	125
New Fire Hydrants Installed	29
Replaced Fire Hydrants	28

Total Domestic Meters in the System	
Residential	33,705
Commercial	1581
Industrial	394
Other	301

Water Produced in Gallons	
Gallons Pumped	5,089,702,000
Gallons Accounted For	4,225,870,677
Unmetered Water	863,831,323
Average Daily Demand	12,897,057

For more information contact:

North Wales Water Authority

Montgomery County Office

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Bucks County Office

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The NWWA service area encompasses approximately 50 square miles. We serve customers in the Borough of North Wales, Buckingham, Doylestown, Horsham, Lower Gwynedd, Montgomery, New Britain, Solebury, Upper Dublin, Upper Gwynedd, Warminster, Warrington, and Whitpain Townships.



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