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ANNUAL
REPORT
25



PLANNING TOMORROW'S WATER

TODAY



Chair's Message

Our municipalities entrust to our care the critical mission of providing a safe, reliable, and affordable water supply for drinking purposes and fire protection. This is our daily mission, and it is essential to the quality of life in every community we serve. This high level of service does not happen by accident—it is the result of a focus on continuous improvement. The Authority uses best business practices and proven planning tools to ensure the levels of service that we provide meet and exceed industry and regulatory standards today and well into the future.

While we remain focused on meeting the needs of our customers every day, our planning efforts extend to 2050 and beyond. With continued growth, evolving water quality regulations, and increasing demands on our water supply, long-range planning is essential. This annual report reflects our commitment to planning today for tomorrow's water—with a clear focus on sustaining water availability, resilience, and system reliability for the foreseeable future.

Our forward-looking approach is guided by the Authority's Water Master Plan. In 2025, we completed an updated blueprint for our capital investment needs. Through projects such as strategic enhancements to our distribution network, capacity expansion, and updated technology, we are strengthening system dependability and building on the strong foundation already in place—positioning the Authority as a premier regional water service provider.

NPWA benefits from a plentiful water supply treated at the region's award-winning Forest Park Water Treatment Plant. Forest Park produces our high-quality drinking water 365 days per year for our customers to rely on. This past year, preliminary engineering began on expanding this vital resource, which will position the Authority to meet forecasted demands through 2050—while maintaining the same high standards our customers expect.

On behalf of the Board of Directors, I am proud of the proactive steps being taken to secure our community's water future. With disciplined planning, responsible investment, and the dedication of our employees, the Authority will be positioned to meet the needs of our customers for decades to come. We appreciate the continued trust of the communities we serve as we work to deliver a resilient, sustainable, affordable and reliable water system for generations.

George E. Witmayer

CHAIR



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Board of Directors



George E. Witmayer



Richard C. Mast



Kenneth V. Farrall



Amy J. Cummings-Leight



Arthur C. Bustard



William K. Dingman



Robert C. McCarney



Jeffrey H. Simcox



Michael R. Filiatrault



Franco D'Angelo

Franconia Township
Lower Salford Township
Hatfield Borough
Souderton Borough
Worcester Township
Towamencin Township
Hatfield Township
Lansdale Borough
New Britain Township
Skippack Township

George E. Witmayer, Chair
 Richard C. Mast, Vice Chair
 Kenneth V. Farrall, Secretary
 Amy J. Cummings-Leight, Treasurer
 Arthur C. Bustard, Assistant Secretary
 William K. Dingman, Assistant Treasurer
 Robert C. McCarney
 Jeffrey H. Simcox
 Michael R. Filiatrault
 Franco D'Angelo

Professional Appointments

Consulting Engineer
SC Engineers, Inc.

Solicitor
Hamburg, Rubin, Mullin, Maxwell & Lupin

Auditor
Maillie LLP

Trustee
Bank of New York Mellon Trust Company NA

Management Team



(Front row- left to right)

Daniel C. Preston, P.E., Director of Asset Management and Strategic Initiatives

Keith L. Hass, P.E., Executive Director

Ami Tarburton, Director of Finance and Human Resources

(Back row- left to right)

Jonathan C. Hartzell, Director of Operations and Field Services

Christopher Norris, Manager of Meters, Customer Service, and Systems Control

Nicole Peck, Manager of Human Resources & Administration

Daniel P. Pearce, Director of Information Technology

Heidi L. Palmer, Manager of Water Quality and Environmental Compliance

TODAY

PLANNING TOMORROW'S WATER

**Long-range planning today
is building a stronger water
system for tomorrow.**

Every day, North Penn Water Authority delivers safe, reliable, and high-quality water to the communities it serves. For most customers, that service is easy to take for granted — and that is exactly how it should be. Water should be there when needed, in sufficient quantity, and at the highest standards of quality. Making that happen, however, requires careful planning long before water reaches the tap.



That is why long-range planning is such an important part of the Authority's mission. Through its Comprehensive Master Plan, NPWA is looking beyond immediate needs and preparing for the future of the region it serves. This work helps guide decisions about water supply, storage, infrastructure, and system reliability so that service remains strong not only today, but for decades to come.



The need for that planning was reinforced in 2024, when the Authority experienced record water demands. Those demands highlighted the importance of continuing to build capacity for the future. One important measure in water planning is “maximum day” demand — the single highest-use day of the year, usually during periods of summer heat, outdoor watering, and other seasonal peaks.



Because the system must perform reliably even on its most demanding day, planning for those conditions is essential. To meet that challenge, NPWA is taking a balanced and practical approach. Surface water from the Forest Park Water Treatment Plant remains the Authority's primary supply source, while the existing well system continues to provide important support.

By using these sources together, the Authority is working to ensure that capacity needs can be met through 2031 while future improvements continue to advance. This approach makes wise use of existing resources while positioning the system for long-term success.

Another key part of this effort is storage optimization. Simply put, this means making better use of the storage tanks already built into the system, so water is available where and when it is needed most. These tanks do more than hold water in reserve. They help manage sudden spikes in demand, improve reliability during the hottest periods of the year, and provide greater flexibility in system operations. Through targeted improvements and thoughtful system adjustments, the Authority is strengthening its ability to respond to both everyday needs and peak-demand conditions.

Long-term planning also means ensuring that water delivered from the source to the tap continues to meet and exceed stringent regulatory standards and remains safe to drink. That commitment to water quality is central to every decision the Authority makes, from water treatment and storage improvements to distribution system planning and future capital investments.

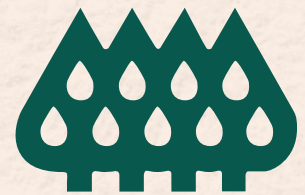
This work also reflects one of the Authority's core strengths: excellent financial stewardship. By thoughtfully leveraging future improvements, NPWA can continue its tradition of delivering the highest quality water service while managing costs responsibly and helping to keep water affordable for all.

In the end, the Master Plan is more than a planning document. It is a commitment — to reliability, quality, affordability, and responsible stewardship. By planning today for tomorrow's water, North Penn Water Authority is helping ensure that the communities it serves will continue to enjoy safe, dependable, high-quality water for generations to come.



Forest Park Water Plant EXPANSION

This past year marked an important milestone in planning the future water supply of the North Penn Water Authority. The North Penn Water Authority (NPWA) and North Wales Water Authority (NWWA), who jointly own the Forest Park Water Treatment Plant that produces up to 43 million gallons per day (mgd) of the highest quality drinking water in the nation, embarked on the planning for a major plant expansion.



Forest Park Water



The process began by forecasting the year 2050 water demand projections for our region. These projections were developed through an analysis of population growth, residential and non-residential consumption trends, and other water demands. This data was used to project peak 24-hour demands on our Forest Park Water Treatment Plant during periods of high water usage. The peak day projections confirmed by 2050 that the NPWA and NWWA current water supply capacity would not be able to meet the forecasted demand by almost 10 mgd.

As a result in 2025, Forest Park, NPWA and NWWA started the process of expanding the Forest Park Water Treatment Plant. Preliminary engineering design commenced to increase the capacity of the Forest Park Water Treatment Plant by 10 mgd. Fortunately, the plant will be expanded at the current site location in Chalfont and purchasing additional property is not necessary.



Expanding capacity to ensure a reliable, high-quality water supply for generations to come.

Construction on the expanded plant is scheduled to be completed in 2031. It will include all the state-of-the-art technology the current water plant maintains to produce award-winning drinking water. An ozone disinfection system, membrane microfiltration, and granular activated carbon filters are some of the technologies that will continue to be utilized.



When completed, the Forest Park plant expansion will ensure that a sufficient, reliable supply of excellent-quality drinking water is available for decades to come, serving all of the homes, businesses, and industries that rely on this vital commodity.

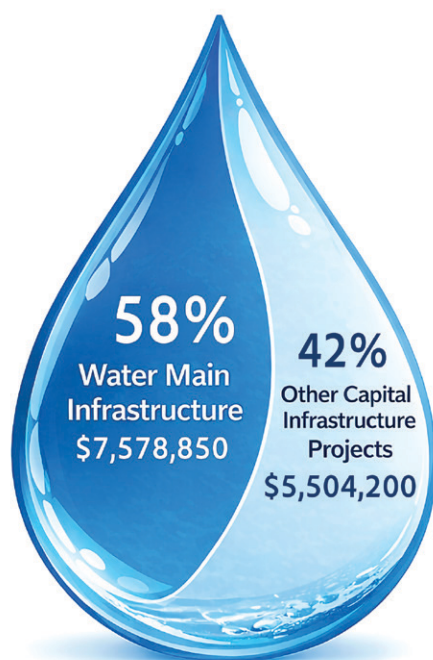


NPWA Financial and Information Technology Update

The Authority continues to prioritize strong financial stewardship while investing in the systems and infrastructure necessary to support a safe, reliable, and economical water supply. In the coming year, the Authority will implement a new Financial Information System (FIS) and Human Resource Information System (HRIS), which will modernize financial management, enhance reporting capabilities, and streamline payroll and personnel processes. These upgrades will strengthen internal controls and improve operational efficiency. The Authority continues to prioritize capital budgeting and long-term financial planning to ensure adequate funding is available for the improvement and maintenance of critical infrastructure, supporting the long-term reliability, resilience, and sustainability of service provided to the community.

The Authority continues a proactive and resilient cybersecurity posture to safeguard critical systems, operational technology, and customer information. Over the past year, investments have been made in advanced threat detection, endpoint protection, and network monitoring solutions to strengthen defenses against an evolving threat landscape. The Authority is enhancing access controls, data protection measures, and system integration security to further reduce risk. Ongoing employee cybersecurity awareness training and regular system assessments remain key components of the Authority's strategy. These efforts collectively support the continued protection of essential services, reinforce regulatory compliance, and ensure the reliability and integrity of operations serving the community.

System Infrastructure Capital Improvements for 2025



Municipality	Location	Cost
Water Main Infrastructure		
Hatfield Borough	Broad Street Main Replacement	\$313,100
Hatfield Borough	Cowpath Road Tie-Ins	\$197,800
Lansdale	West Third Street Main Replacement	\$177,400
Lansdale	Edgemont Avenue Main Replacement	\$375,700
Lansdale	Poplar Street Main Replacement	\$316,500
Lansdale	Cannon Avenue Main Replacement	\$233,500
Lansdale	E. Main Street Main Replacement	\$781,500
New Britain Township	Ferry Road Transmission Main	\$728,150
West Rockhill Township	Ridge Rd Transmission Main Project	\$4,308,500
West Rockhill Township	West Rockhill School Tie-in Project	\$146,700
Other Capital Infrastructure Projects		
Various Locations	Storage Tank Improvements	\$5,100
Forest Park Water Treatment Plant	Capital Improvements and Engineering	\$2,070,600
Various Locations	Hydrant, Valve and Service Renewals	\$2,076,800
Various Locations	New Meters and Replacements	\$1,171,900
Various Locations	Well and Booster Station Improvements	\$90,200
Various Locations	Project Development and Closeout	\$89,600
		\$13,083,050

Operating Statistics



Water Purchased from Forest Park [MGD]

2024	2025	% Change
11.73	11.93	1.68%



Daily Pumpage Authority Wells [MGD]

2024	2025	% Change
0.22	0.00	-100.00%



Average Daily Sendout [MGD]

2024	2025	% Change
11.96	11.93	-0.21%



Peak Day Sendout [MGD]

2024	2025	% Change
16.01	14.78	-7.70%



Number of Wells ***

2024	2025	% Change
4	4	0%



Pumping Capacity Wells [MGD] ***

2024	2025	% Change
1.11	1.11	0%



Purchased Capacity [MGD]

2024	2025	% Change
17.50	17.50	0%



Average Daily Sales [MGD]

2024	2025	% Change
10.20	10.12	-0.79%



Number of Customers*

2024	2025	% Change
36,194	36,739	1.51%



Storage Totals [MG]

2024	2025	% Change
15.85	15.85	0%



Number of Fire Hydrants

2024	2025	% Change
3,834	3,837	0.08%



Miles of Main

2024	2025	% Change
599	598	-0.17%



Metered Ratio**

2024	2025	% Change
85.72%	85.31%	-0.48%

Notes

* Number of Customers is the number of service connections

** Metered Ratio is the ratio of total water sold to customers divided by the total water pumped from sources.

*** Capacity based on active production wells only

**** Number reflects active production wells only

North Penn Water Authority

Statements of Revenue, Expenses and Changes in Net Position

Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Metered sales	\$23,287,668	\$22,936,816
Unmetered sales	639,337	627,667
Other revenues	42,648	50,821
Total Operating Revenues	23,969,653	23,615,304
Operating Expenses		
Water collection system	3,684,698	3,134,583
Purification system	45,796	61,579
Laboratory costs	492,683	501,499
Pumping system	616,991	546,235
Metering and customer service	282,104	302,851
Distribution system	1,540,040	1,260,826
Information technology	1,207,361	1,024,048
Administration and engineering	2,821,220	2,492,089
General expenses	4,427,192	4,192,566
Total Operating Expenses	15,118,085	13,516,276
Operating Income	8,851,568	10,099,028
Non-operating Income	7,846,357	5,409,460
Income Before Debt Service Costs and Depreciation and Amortization	16,697,925	15,508,488
Debt Service Costs		
Interest on bonds	1,071,828	1,425,998
Amortization of bond discount and premium	(458,294)	(458,294)
Total Debt Service Costs	613,534	967,704
Income Exclusive of Depreciation and Amortization	16,084,391	14,540,784
Depreciation and Amortization		
Property, plant and equipment	5,858,150	5,708,197
Forest Park Water	2,436,298	2,365,382
Total Depreciation and Amortization	8,294,448	8,073,579
Extraordinary Items		
Settlement proceeds	4,370,602	-
Change in Net Position	12,160,545	6,467,205
Net Position, Beginning of Year	174,275,036	167,807,831
Net Position, End of Year	\$186,435,581	\$174,275,036

North Penn Water Authority

Condensed Statement of Net Position - December 31, 2025

Assets

Current Assets	\$22,888,707
Restricted Assets	14,939,687
Utility Plant	188,225,951
Other Assets	3,892,771
Total Assets	229,947,116

Total Assets
\$229.9M

Liabilities

Current Liabilities	9,188,519
Non-Current Liabilities	29,547,271
Total Liabilities	38,735,790

Total Liabilities
\$38.7M

Deferred Inflows of Resources

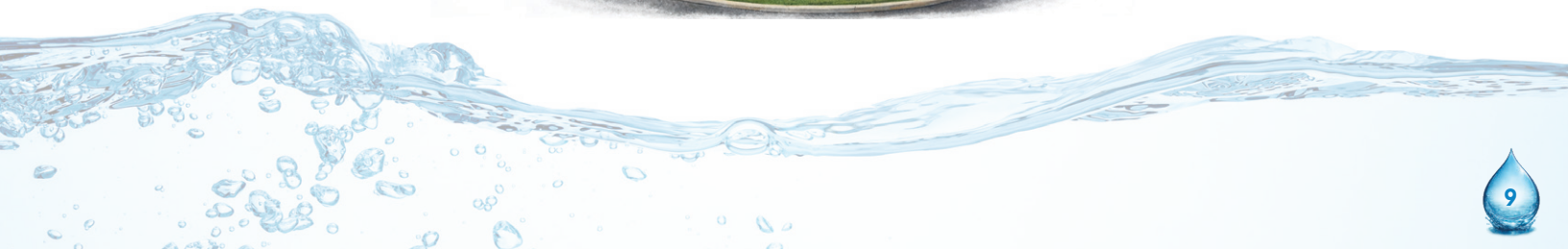
Deferred charge on refunding	<u>4,775,745</u>
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Net Position

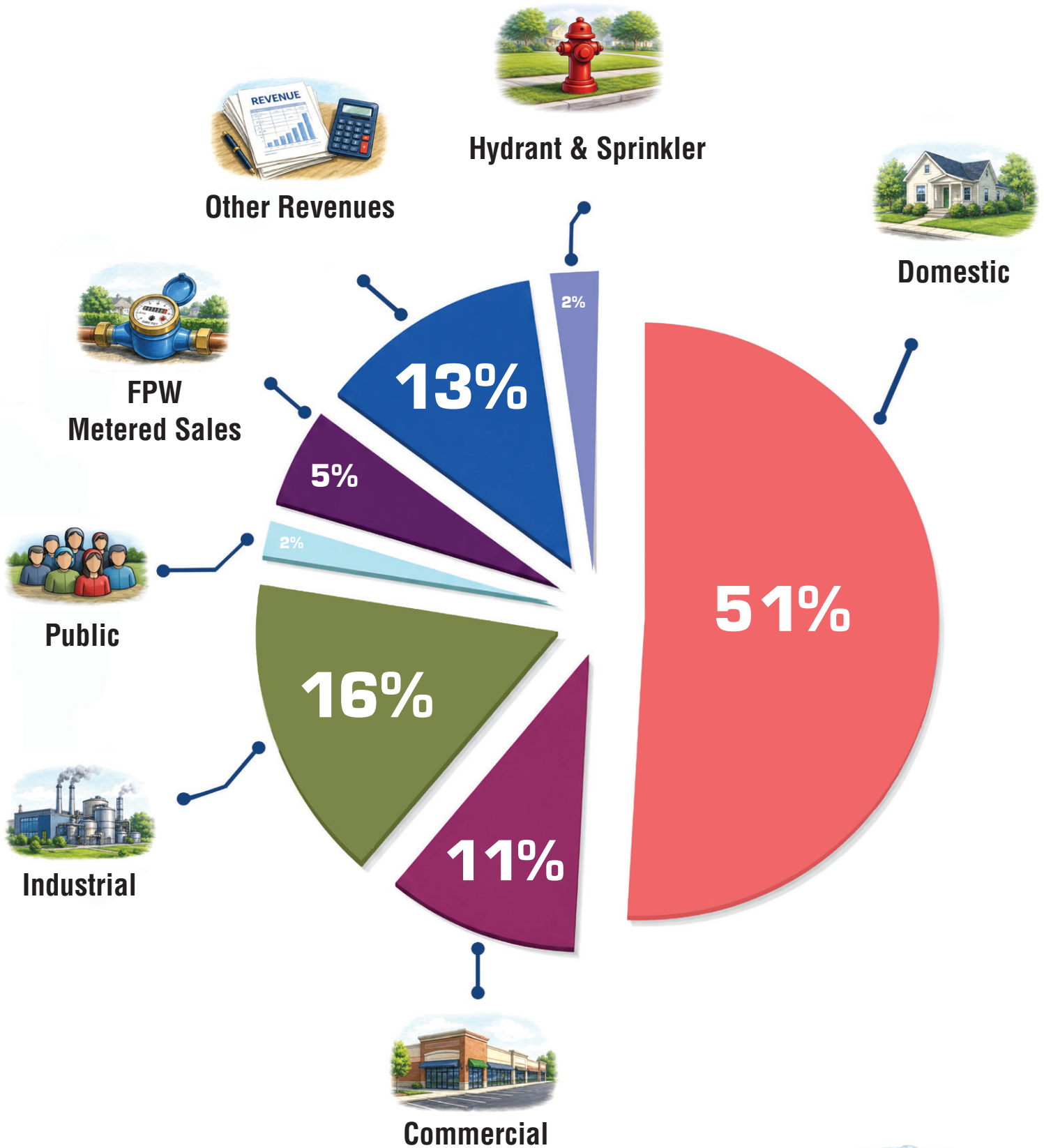
Net investment in capital assets	163,790,338
Unrestricted assets	22,645,243
TOTAL NET POSITION	\$186,435,581

Condensed Statement of Cash Flows - Year Ended December 31, 2025

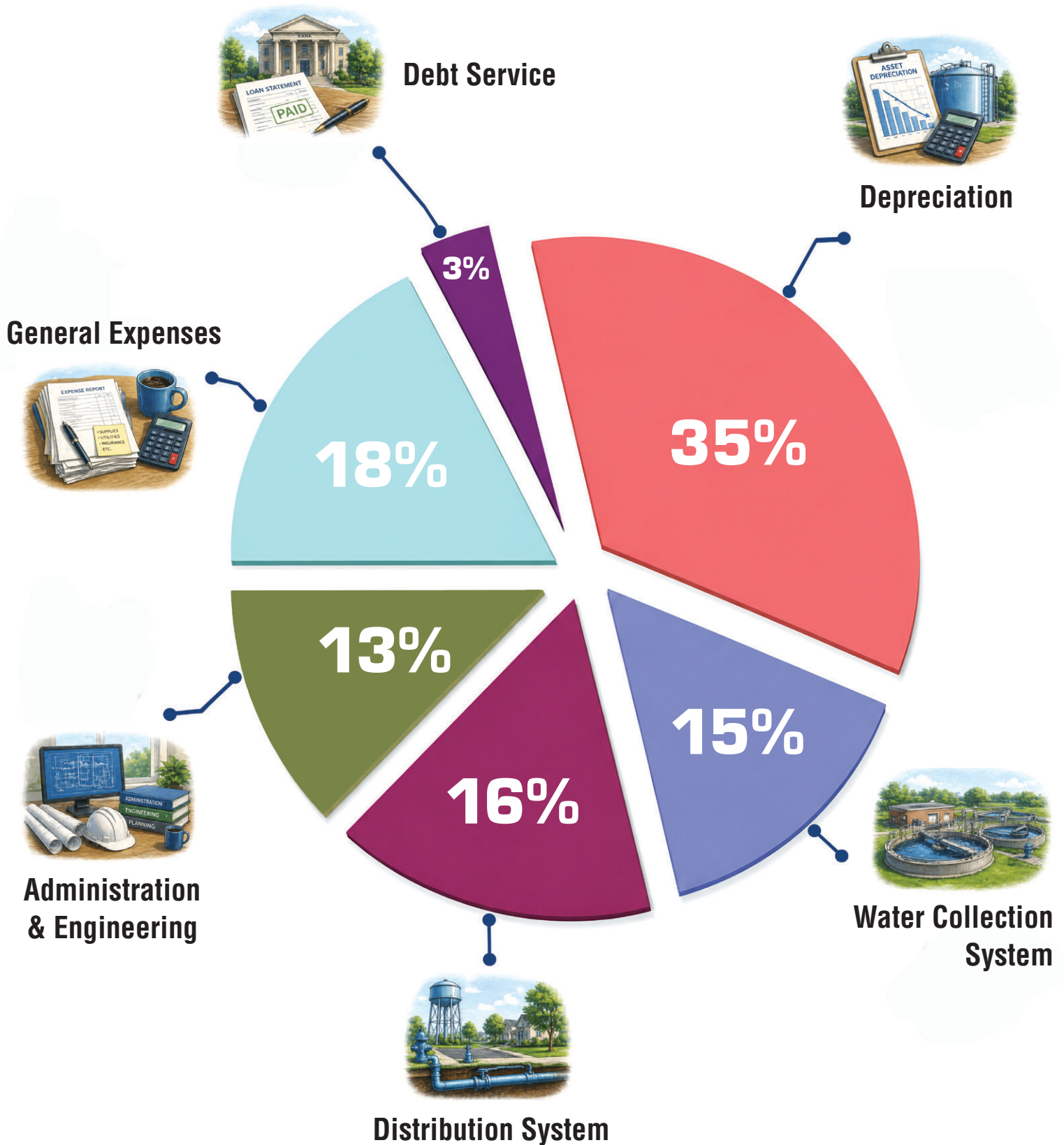
Net cash provided by operating activities	\$13,582,326
Net cash used in capital financing activities	(16,160,552)
Net cash provided by investing activities	1,303,399
Net increase/(decrease) in cash and equivalents	(1,274,827)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	31,870,978
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$30,596,151</u>



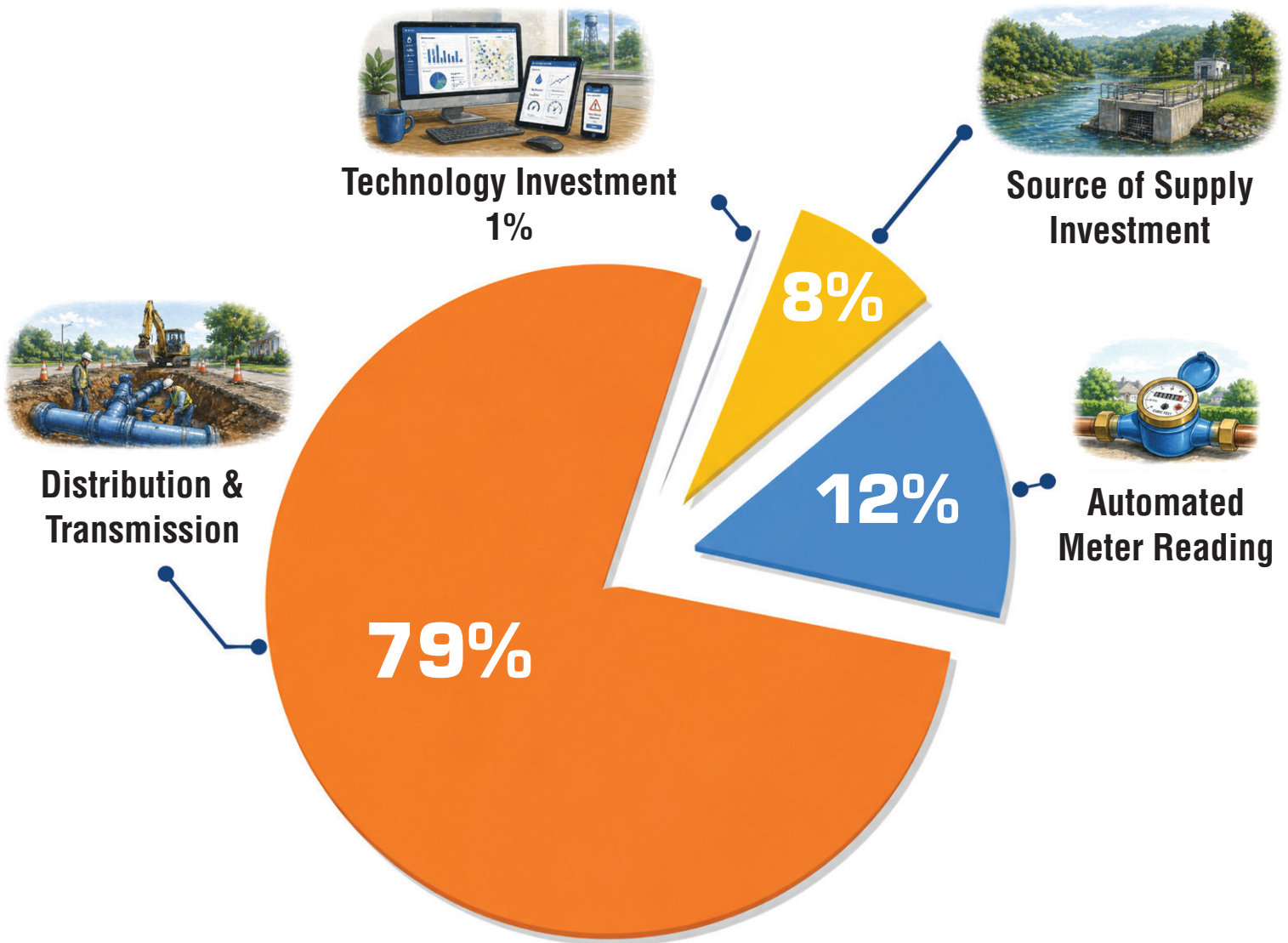
2025 Revenue Sources



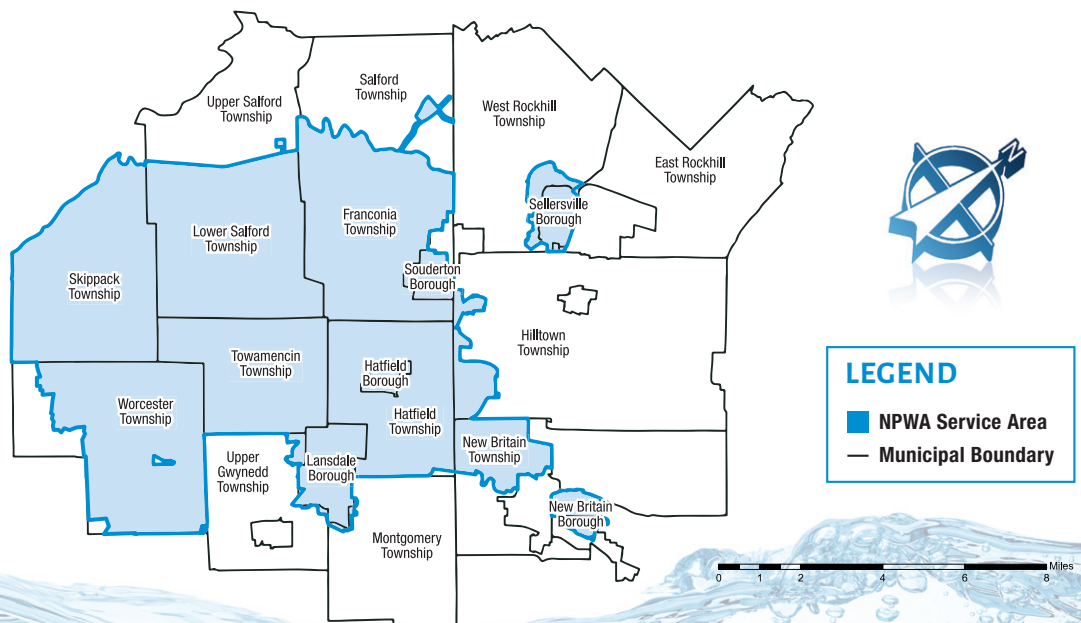
2025 Expenses



2025 Capital Expenditures



NPWA Service Area







**A dedicated, professional workforce committed
to providing the community with a safe, reliable,
and economical water supply.**

300 Forty Foot Road, Lansdale, PA 19446

Phone: (215) 855-3617

After Hours Emergency: (215) 855-9945



NPWA.ORG