

July 19, 2016

## **POTTSTOWN BOROUGH AUTHORITY**

### **CALL TO ORDER**

Chairman Thomas Carroll called the meeting to order at 7:00 p.m. Present were Tom Carroll, David Renn and Jeff Chomnuk. Also in attendance were Manager Mark Flanders, Public Works Director Doug Yerger, Bookkeeper Janice Lee, Utilities Administrator Robert Plenderleith, Utilities Director Brent Wagner, Tom Weld, Cardno/BCM Engineers, Solicitor Vincent Pompo, Attorney Helen Esbenshade and Borough Secretary Virginia Takach. Members Aram Ecker and Mike Benner were absent.

### **PUBLIC COMMENT**

None.

### **AUTHORITY MAGAZINE REPORT**

There was no report in Mr. Benner's absence.

### **GENERAL CORRESPONDENCE REPORT**

There was no report.

### **APPROVAL OF MINUTES**

Mr. Chomnuk moved to approve the minutes of the May 17, 2016 Pottstown Borough Authority meeting as presented. Mr. Renn seconded the motion and it passed unanimously.

### **COMMITTEE REPORTS**

#### **Planning & Capital**

Mr. Weld reviewed the Close Out Orders for three outstanding contracts, adding that all have been reviewed and approved by the Solicitor.

Contract No. 148, Structural Mechanic/WWTP Contract – Mr. Renn moved to approve the Close Out Documents in the amount of \$1,435,000, with a final change order increase of \$12,000. Mr. Chomnuk seconded the motion and it passed unanimously.

Contract No 149, Electrical Portion/WWTP Contract – Mr. Chomnuk moved to approve the Close Out Documents in the amount of \$159,007, for a final change order decrease of \$14,993. Mr. Renn seconded the motion and it passed unanimously.

Contract No. 150, Lower Pump House Repairs – Mr. Renn moved to approve the Close Out Documents in the amount of \$135,513, for a final change order decrease of \$13,325.50. Mr. Chomnuk seconded the motion.

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Mr. Weld confirmed that additional work was done on the building, which included an upgrade to the guard railing and replacement of slate from the roof and additional caulking, all covered by the approximate \$13,000 in the change order.

The motion carried unanimously.

Mr. Weld also provided an update on the security project for the plants and reported that final paving is taking place under Contract No. 146.

#### AUTHORITY MANAGER'S REPORT

Manager Flanders reminded all to use Borough email, not personal email, while communicating Authority business. He also noted that a conditional offer was made to a candidate to fill the Assistant Borough Manager position.

Mr. Flanders advised that the new Public Works Facility is officially occupied. He added that a meeting was held with the contractors and architects and should have a final number by next month. He also announced that a second Citizens Leadership Academy will begin September 1<sup>st</sup> for eleven weeks and registration can be completed online.

#### SOLICITOR'S REPORT

Solicitor Pompo referred to the report distributed and provided an update on several new and pending legislation. He noted that HB 1956 addresses the sale of Authority owned sewer and water systems and would require municipalities to hold one public meeting prior to entering into an agreement of sale. Mr. Pompo also advised that Act 62, signed by the Governor on July 1, 2016, allows second class townships to enact stormwater management ordinances and assess reasonable and uniform fees on all properties within the township but does not apply to boroughs. He also noted that if pursued by the Authority, it would need Council authorization and approval.

#### ENGINEER'S REPORT

Mr. Weld advised that a meeting is scheduled for July 20th with Amec-Foster Wheeler to review Staff's comments on the Stormwater Master Plan. A final draft of the Plan will be provided for the September meeting.

#### UTILITIES DIRECTOR'S REPORT

Mr. Wagner reported that lead and copper sampling at the Water Treatment Plant is underway. He also provided an update on staffing with a full staff at the Wastewater Treatment Plant. Mr. Wagner advised that a review and analysis of the dryer will be provided. He noted that since the inception of the dryer, savings have resulted in over \$200,000 per year.

Mr. Plenderleith added that the entire dewatering system is a cost of \$6.7 million and is treated as a capital project.

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## PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger reported that water distribution is still short two service workers but interviews are in progress. He added that flushing continues and the TV contract should start in August to address approximately 70 feet of pipe.

## FINANCE

Ms. Lee advised that the budget is ahead on revenue on both funds and the 2017 budget process will begin shortly.

Mr. Plenderleith noted that if the net revenue over expenditures is adjusted to reflect debt service expenses, it is a result of increases hauling expense and offset by lower natural gas expense, resulting from the dryer outage. He added that there is dispute from Lower Pottsgrove Township regarding the insurance claim and the screw pump replacement proceeds. A response is being prepared.

## OLD BUSINESS

### PRESENTATIONS – REMOTE METERING

Mr. Yerger advised that both the Neptune Technology Group and Mueller Systems have been running demonstrations for their remote metering projects for approximately three months and both companies were present to provide an outline of their systems.

Carl Scillia, PA Sales Manager. Albert Crocetti, Territory Manager and Tim Breslin, Manager Systems and Services RIO Supply were present for Neptune Technology Group. Mr. Scillia noted that Neptune has provided meters for the Borough for over 20 years. He explained the benefits of using the Gateway - Smart Meter and the efficiency of using the automated meter reading systems including identifying leaks in the system, back flow and theft and tampering. Mr. Scillia provided an outline of the features of the meters, including upstream leak detections and also advised that the company is a Co-Stars participant.

Mr. Breslin explained the automatic shut off valves and the advanced metering infrastructure. He also provided an outline of the software associated with the reporting and data collection of the system.

Mr. Crocetti stated that the meters are 99.9% accurate and noted that the life of the meters is approximately 20 years. He also advised that the system is compatible with any billing software and highlighted the notification capabilities and priority alarm features.

Mr. Scillia provided a breakdown of the costs of the system, totaling \$3,486,571.

(See Old Business continued)

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**NEW BUSINESS**

**REFINANCING 2006 SEWER BONDS & 2009 AA WATER BONDS**

Jamie Schlesinger, Director of Public Financial Management, Inc., provided a handout regarding the refinancing of the Guaranteed Sewer Revenue Bonds, Series of 2016 for the refunding of the Series of 2006 and the Guaranteed Water Revenue Bonds, Series A of 2016, refunding the series AA of 2009. He explained the internet auction sale process scheduled for next week for the purchase of the bonds. Mr. Schlesinger also noted that the guarantee portion has been completed through the Borough and requested the Board's consideration in adopting the required Resolutions. He estimated the net savings for refinancing both bonds is approximately \$800,000.

Attorney Helen Esbenschade of Lamb McErlane, highlighted the Resolutions authorizing the issuance of the Water and Sewer Bonds, along with the Supplemental Trust Indentures and requested that the Authority Officials approve and sign the Resolutions.

Attorney Esbenschade noted that the amount remaining outstanding on the Water Bond Resolution be corrected to read \$5,210,000, not \$3,475,000.

Water Bonds - Mr. Chomnuk moved to adopt the Resolution authorizing the issuance of Guaranteed Water Revenue Bonds, series A of 2016 in an aggregate principal amount no to exceed \$5,700,000 for the purpose of financing the refunding of the Water Revenue Bonds, series AA of 2009. Mr. Renn seconded the motion.

RESOLUTION NO. 1 - 2016

AUTHORIZING AND DIRECTING THE ISSUANCE OF POTTSTOWN BOROUGH AUTHORITY GUARANTEED WATER REVENUE BONDS, SERIES A OF 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,700,000 FOR THE PURPOSE OF FINANCING (1) THE REFUNDING OF THE AUTHORITY'S GUARANTEED WATER REVENUE BONDS, SERIES AA OF 2009; AND (2) PAYING THE COSTS OF ISSUING THE BONDS (THE "2016 PROJECT"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN EIGHTH SUPPLEMENTAL TRUST INDENTURE SECURING SAID BONDS WITH U.S.BANK NATIONAL ASSOCIATION, AS TRUSTEE; AUTHORIZING THE EXECUTION AND DELIVERY OF A GUARANTY AGREEMENT BY THE BOROUGH OF POTTSTOWN; AUTHORIZING THE SALE AND DELIVERY OF THE BONDS TO THE PURCHASER THEREOF; AUTHORIZING THE PLEDGE OF THE RECEIPTS AND REVENUES FROM THE WATER SYSTEM, AUTHORIZING THE PREPARATION OF AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS; PROVIDING FOR THE CURRENT REFUNDING OF THE AUTHORITY'S 2009AA BONDS; AND AUTHORIZING OTHER NECESSARY ACTION WITH REGARD TO THE BONDS.

The motion passed unanimously.

Sewer Bonds – Mr. Renn moved to adopt the Resolution authorizing the issuance of Guaranteed Sewer Revenue Bonds, Series 2016 in an aggregate principal amount not to exceed \$13,400,000 for the purpose of refunding the sewer Bonds series of 2006.

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RESOLUTION NO. 2 - 2016

AUTHORIZING AND DIRECTING THE ISSUANCE OF POTTSTOWN BOROUGH AUTHORITY GUARANTEED SEWER REVENUE BONDS, SERIES OF 2016 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,400,000 FOR THE PURPOSE OF FINANCING (1) THE REFUNDING OF THE AUTHORITY'S GUARANTEED SEWER REVENUE BONDS, SERIES OF 2006; AND (2) PAYING THE COSTS OF ISSUING THE BONDS (THE "2016 PROJECT"); AUTHORIZING THE EXECUTION AND DELIVERY OF AN EIGHTH SUPPLEMENTAL TRUST INDENTURE SECURING SAID BONDS WITH THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE; AUTHORIZING THE EXECUTION AND DELIVERY OF AN EIGHTH SUPPLEMENTAL AGREEMENT OF LEASE WITH, AND OF A GUARANTY AGREEMENT BY THE BOROUGH OF POTTSTOWN; AUTHORIZING THE SALE AND DELIVERY OF THE BONDS TO THE PURCHASER THEREOF; AUTHORIZING THE PLEDGE OF THE RECEIPTS AND REVENUES FROM THE SEWER SYSTEM, AUTHORIZING THE PREPARATION OF AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING AND SALE OF THE BONDS; PROVIDING FOR THE CURRENT REFUNDING OF THE AUTHORITY'S 2006 BONDS; AND APPROVING A FORM OF ESCROW AGREEMENT; AND AUTHORIZING OTHER NECESSARY ACTION WITH REGARD TO THE BONDS.

The motion passed unanimously.

(See New Business continued)

**OLD BUSINESS CONTINUED**

Dan Pence, Mueller Systems and Yoav Kenig, KP Electronics were present to highlight the Mueller Systems Advanced Metering Infrastructure. Mr. Pence explained the features of the radio equipment and the infrastructure requirements, which involve no manpower to read. He also provided an overview of the leak detection in the system. Mr. Pence also noted that KP manufactures the system and Mueller is the exclusive distributor.

Mr. Pence advised that the system has been in place for over 25 years and installed in over 80 countries. He added that two pilot collectors are presently being tested, one in the Borough Hall and one at the New Hanover Square Tank. Mr. Pence explained the simplicity of installing and mounting the Meter Transmitter Unit along with the billing and data reporting compatibility.

Mr. Kenig provided an overview of the real time collector system with no third party involvement. He also explained the use of the MCM Software compatibility with any billing software and the unlimited data storage component. Mr. Kenig commented on the consumption parameters and the ability to immediately spot leaks, tampers, theft and reverse flows.

Mr. Pence highlighted the customer friendly features of the software and also the leak detection enhancements for the water distribution system. He also reviewed the safety, environmental and financial benefits of the system. Mr. Pence commented that the cost of the entire system is approximately \$3.8 million and agreed to provide a summary packet of information for the Co-Stars network.

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Manager Flanders commented that he is 100% in support of a remote metering system and cited the advantages of real time data.

After a brief discussion, it was the consensus to table a decision on this matter until the next meeting.

**NEW BUSINESS CONTINUED**

**CONTRACT NO. 151 – 2015 WATER AND SEWER REPLACEMENTS – BID AWARD**

Mr. Weld provided a breakdown of the bid tabulation for Contract No. 151 and the costs associated with Parts A, B and C. He advised that after review and consultation with Staff and the Solicitor, it is recommended to award the contract to Doli Construction.

Mr. Chomnuk moved to award Contract No. 151, 2015 Water and Sewer Replacements, Parts A Plus B Plus C to Doli Construction Inc., in the amount of \$6,447,567 with the award of and issuance of the Notice to Proceed for Part B (in the amount of \$1,385,750) being contingent upon the Authority having adequate funds for Part B and contingent upon the Solicitor's review and approval of their submitted bid documents. Mr. Renn seconded the motion and it passed unanimously.

**ANNOUNCEMENTS**

Mr. Yerger provided comments regarding the pros and cons of each of the Remote Meter Systems.

Chairman Carroll noted that the next meeting is scheduled for September 20, 2016.

**ADJOURNMENT**

The meeting adjourned at 10:00 p.m. on motion by Mr. Chomnuk.

Submitted by,

Virginia L. Takach, Borough Secretary  
for Aram Ecker, Secretary