

April 17, 2018

POTTSTOWN BOROUGH AUTHORITY

CALL TO ORDER

Chairman Chomnuk called the meeting to order at 7:00 p.m. Present were Mike Benner, Tom Carroll, Jeff Chomnuk, Aram Ecker and David Renn. Also in attendance were Interim Authority Manager Justin Keller, Solicitor Vincent Pompo, Bookkeeper Janice Lee, Public Works Director Doug Yerger, Utilities Director Brent Wagner, Tom Weld, BCM Engineers and Borough Secretary Virginia Takach.

PUBLIC COMMENT

a. Stephen Kalis, Solicitor for Lower Pottsgrove Township Authority – spoke on behalf of the Township Managers for Lower, West and Upper Pottsgrove Township requesting a meeting with the Authority Board for a review of the draft sewage treatment service agreements and address the restated and amended agreements as it relates to the Pottstown Borough Authority. Attorney Kalis added that the Townships would appreciate financial consideration as well in addressing budgetary items on an annual basis.

Chairman Chomnuk responded that the Board has the draft agreements, which are under review with Staff and the Solicitor and will be moving forward as requested.

b. Ed Wager, 2199 Buchert Road – thanked Mr. Keller for the email received on this date, summarizing the dryer situation and explaining the 35% increase in the bid results. Mr. Wagner expressed a concern that the Township's budget was based on the estimate of \$3.7 million for the new dryer, which actually came in at \$5 million. He requested the Board's consideration in tabling the award on the dryer bids this evening to allow an opportunity for the Townships to address this increase.

c. Craig Lloyd, 980 Grosstown Road – agreed with Mr. Wagner and expressed a concern with the 35% increase and requested that the Board review these bids prior to voting on the contracts.

APPROVAL OF MINUTES

Mr. Benner moved to approve the January 16, 2018 meeting minutes as presented. Mr. Renn seconded the motion and it passed unanimously.

COMMITTEE REPORTS

Planning & Capital

Mr. Renn reported that the Spring Valley Farms work is essentially complete on the water side. The Water Plant PLC's is complete and the security system upgrades at both plants are also complete. Mr. Renn advised that the Kepler Road Booster Station was on three phase as of last week to accommodate the new pumps. He also referred to problems regarding the cell companies at the K-Mart tank regarding logistics.

April 17, 2018

Attorney Pompo commented that each agreement may be different as it relates to specific equipment that is affixed when the tank is being serviced.

Mr. Weld added that he is awaiting information from the coordinator and should have it by April 18th. He noted that one provider may be removing his antennae. Mr. Weld advised that a contract could possibly be advertised in May and accepted in June.

Mr. Renn reported that the pipe replacement Contract No. 151 is completed with some paving to be finished, pending the weather.

Mr. Weld provided an update on the situation with the West Pottsgrove upgrade to its pump station at the Township building and with the force main on Grosstown Road and the capacity of the Glasgow Street sewer line. Mr. Weld added that the capacity of 240 EDU's can be accomplished but due to severe cracks and the sagging line in the area of School House Lane, it is still under evaluation. A draft letter will be provided to Staff for review prior to sending to West Pottsgrove.

Authority-Townships Meeting Report

Mr. Carroll provided a brief update on the Townships, as there was no meeting last month. He noted that there was a brief discussion regarding the pending agreements and questioned the status of the North End and Quinter meters.

Mr. Yerger responded that the North End meter is not properly reporting to the Enterprise system. He added that the meter does not register data properly and he is not satisfied with the response from the company. He also noted that the only thing not replaced on the Quinter Street meter is the cable.

After a brief discussion, the Board directed Mr. Keller to provide a solution regarding the meters for next month's meeting.

INTERIM AUTHORITY MANAGER'S REPORT

Manager Keller reported that Chief Drumheller has announced his retirement and Sergeant Michael Markovich has been appointed as Deputy Chief of Police. He added that the Walk/Bike project is underway and working with residents and police for direction changes. Mr. Keller added that the EIP grant has been submitted and should have an answer with 4-6 weeks. He also advised that a candidate will be provided a conditional offer for the Utilities Administrator position in the near future.

Mr. Keller thanked the Townships for their input and noted that the Agreements are under review with the Board and the Solicitor.

SOLICITOR'S REPORT

Solicitor Pompo referred to the report distributed and noted that HB 104 regulates the basic requirements for Authorities to purchase or sell assets, which would require municipal authorities to hold public hearings and require statements of the benefits of the transactions. This bill also addresses annual reporting requirements to the state for any and all customer served by the authority.

April 17, 2018

Attorney Pompo also reported that West Chester Borough's Stormwater program is having disputes with West Chester University regarding its exempt status and the dispute over this being a tax or a fee. He will provide additional information regarding this challenge as received.

ENGINEER'S REPORT

Mr. Weld referred to the report distributed adding that Upper Pottsgrove is requesting an additional 20 EDU's and is working with the Solicitor to draft the agreement which will come before the Board at the May meeting.

UTILITIES DIRECTOR'S REPORT

Mr. Wagner advised that the Water Treatment Plant has been under a comprehensive study for the last few weeks. He added that DEP has been on site to evaluate the operation for the filters and will be providing an emergency outreach program, along with the Roberts filters, at no cost to the Borough. Mr. Wagner should have a full report by the end of summer.

Mr. Wagner also explained the concerns with the Dresher Run stream, west of the Water Treatment Plant. The heavy rains this past week caused major issues and has been reported to DEP. He also announced the retirement of Electrician, Gary Stultz.

Mr. Wagner provided a report on the operations at the Wastewater Treatment Plant. He noted that a broken air line on a digester is in need of repair. Mr. Wagner reported that as of today, the Air Permit has been received for the dryer. He also reported on the high rain event on April 16th, with no exceedance concerns. He added that the asset management and bar code system is being finalized. Mr. Wagner advised that the bulk sludge has increase by 6.8% demand on the Plant with a \$150,00 increase expected in the bulk revenue.

PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger advised that the paving Contract No 151 should be completed in the near future. He added that he met with representatives of the Spring Valley Farms and all equipment has been calibrated and should be ready for operation in a few days. He also reported that the New Hanover Square Tank will stay dormant until a demand for water is received.

Mr. Yerger also explained the paving project on High Street, which resulting in paving from Washington to Eden Streets on the north side and PECO's paving of the south side, due to the restrictions of the Highway Occupancy Permit. He agreed to contact PennDOT representatives to verify the High Street paving schedule.

Mr. Lloyd, West Pottsgrove Manager, will provide his contact information for PennDOT.

Mr. Keller noted PennDOT may be coordinating with the Closed Loop project and will provide further information to the Board as received.

FINANCE

Ms. Lee referred to the reports distributed, noting that as of the end of March, the sewer fund

April 17, 2018

revenues are at 20% and expenses at 21% and the water fund revenues are at 23% with the expenses at 24%. Ms. Lee referred to Section E, Cash Available report, which indicates a possible water rate increase for 2019. She agreed to verify if this report includes the \$1 million for meters in 2019.

Chairman Chomnuk confirmed that the agreements between the Townships and the Authority are under review with the Solicitor and Staff and will be brought back to the Board for further discussion.

OLD BUSINESS

None.

NEW BUSINESS

Contract Nos. 158, 159 & 161

Mr. Keller provided an outline regarding the dryer bids received on April 5th. He advised that \$3.7 million was budgeted and explained the technology and extensive permitting and regulations process for the dryer through DEP. Therefore, the bids came in at \$1.3 million over the budgeted amount. Mr. Keller also explained the expected energy savings and the result of more profitable Class A sludge. He added that the failures of the existing dryer and the expense of its repair.

Mr. Keller also noted that the overage may be added to the 2019 budget, including those of the Townships. He also advised that the headworks project was budgeted at \$1 million for 2019 and is now at \$500,000, adding that he is awaiting the results of a grant submitted to cover cost of the barscreen project.

Mr. Weld commented that the original schedule was to award the contracts in March, which was dependent on receiving the permits by February. As the permits were delays, the expectation is to provide a notice to proceed by May 1st. He referred to the bid tabulations for the Structural/Mechanical, Electrical and HVAC work associated with the dryer and provided the background and recommendations of the contractors.

Mr. Renn moved, seconded by Mr. Benner, to award the Dryer Replacement Project bids as follows:

Contract No. 158, Structural/Mechanical Work, to Eastern Environmental Contractors, Inc., Hellertown PA, in the amount of \$2,244,220.00.

Contract No. 159, Electrical Work, to A. N. Lynch Co., Spring City, PA in the amount of \$259,000.

Contract No. 161, HVAC, to Shannon Smith, Inc., Myerstown, PA in the amount of \$111,9000.

Solicitor Pompo added that Thermal Logistics was the low bidder for Contract No. 161, however a signed bid form was not received and rendered the bid insufficient.

Mr. Keller noted that a portion of the bills may be addressed in the 2019 budget process for the Authority and the Townships and agreed to work with the majority of the overage if needed. He did confirm that the contractors would be paid as per agreements.

April 17, 2018

Mr. Weld urged the Board to not postpone the bid awards due to the delay the winter months may cause. He also noted the cost of repairs needed to the existing dryer and the price of hauling sludge during the winter months. Mr. Weld also commented that repairs to the new dryer would essentially be done by Staff when needed.

Mr. Lloyd commented that if certain costs were delayed to 2019 it would be appreciated as the actual project costs was budgeted for 2018.

Mr. Chomnuk added that any change orders will be brought before the Board for approval.

The motion passed unanimously.

GRYPHON

Mr. Weld requested that the Board consider a second payment to Gryphon to initiate the fabricating process.

Mr. Renn moved to authorize the second payment to Gryphon in the amount of \$539,000 in order to proceed with the project. Mr. Benner seconded the motion and it passed unanimously.

EXECUTIVE SESSION

Chairman Chomnuk recessed the meeting to executive session at 8:20 p.m. with no action to follow.

ADJOURNMENT

The meeting adjourned at 8:35 p.m. on motion by Mr. Renn.

Submitted by,

Virginia L. Takach, Borough Secretary
for Thomas Carroll, Secretary