

September 18, 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, Bookkeeper Janice Lee, Budget Analyst Gerry Keszcyk, Public Works Director Doug Yerger, Utilities Director Brent Wagner, Tom Weld, BCM Engineers, Solicitor Vincent Pompo and Borough Secretary Virginia Takach.

### **PUBLIC COMMENT**

None.

### **APPROVAL OF MINUTES**

a. July 17, 2018 Authority Meeting - Mr. Benner moved to approve the July 17, 2018 meeting minutes as presented. Mr. Renn seconded the motion and it passed unanimously.

b. August 1, 2018 Special Meeting – Mr. Benner moved to approve the August 1, 2018 Special Authority Meeting. Mr. Renn seconded the motion and it passed unanimously.

### **COMMITTEE REPORTS**

#### **Planning & Capital**

Mr. Renn commended Brent Wagner on his direction and managerial skills overseeing the Wastewater Treatment plant and its operations. He also reported on some flooding of equipment at the Spring Valley Farms development.

Mr. Weld added that this equipment was not designed to be submerged and will have to be replaced, which should be done within the next two weeks. He also noted that there are issues with Ryan Homes and Allen Meyers, as Ryan has sold several homes and people have sold their present homes and now no place to go. Mr. Weld advised that water will be provided and also requested that all aspects be completed in Phase I prior to approving the Phase II Agreements for Spring Valley Farms.

Mr. Renn reiterated his concerns regarding the Spring Valley Farms development and the fact that all wastewater is going through the Porter Road Pump station.

Mr. Weld noted that they are limited to 11,800 gpm and any additional during peak flows is their responsibility. He added that they can meter and control the flow but the Authority cannot, adding that it is essentially an Infiltration and Inflow issue and will continue correspondence with DEP.

Mr. Yerger also explained the water pressure and flushing issues with getting the water to the Kepler Road station. There are a total of four duty pumps in the area.

September 18, 2018

Mr. Carroll suggested that the Authority may benefit from this situation and could be a business adventure.

Mr. Renn also reported that the Kepler Road Booster Station is now at 100% and reporting to Borough Hall. The Security system project is at 99% and the K-Mart tank painting is underway.

#### Dryer

Mr. Renn advised that the project is delayed due to the weather. The foundation has been poured and walls should be up by early October with the equipment on schedule to be delivered October 25<sup>th</sup>.

Mr. Wagner added that his staff is prepared to assist if needed to keep the schedule on track.

#### Authority-Townships Meeting Report

Mr. Carroll commented on the success of having monthly meetings and the transparency provided to the Townships. He added that it is cost effective to provide monthly updates and reports and requested the Board's comments and recommendations in altering the schedule.

It was the consensus of the Board to keep the meeting on a monthly rotating schedule as there are numerous projects going on. This matter may be revisited in the future if necessary.

#### INTERIM AUTHORITY MANAGER'S REPORT

Mr. Keller reported that Council has approved the proposal of Econsult for the Management and Financial Audit of the Borough. Econsult will begin its analysis in October and finalize in March 2019. He also advised that effective January 1, 2019, utility payments will no longer be accepted at the cashier's window, which was a recommendation of the Financial Sustainability Oversight Committee. Similar changes will be implemented for tax payments except during the discount period, as required by law.

Mr. Keller also reported that the Authority did not receive the grant for the Headworks Project as requested but is budgeted in the 2019 budget. The project should begin in late 2019 after the dryer project is completed.

Mr. Keszczyk confirmed that the headworks project is budgeted for 2019 and 2020.

Mr. Carroll reiterated his concern with the effects of stormwater and questioned why Council has not taken the initiative in overseeing stormwater issues and the lack of fees being lost in the process.

Mr. Keller advised that Council and the Borough Engineer are analyzing the approach of stormwater impact revenues. He is awaiting the confirmation of HB 914, which would allow the assessment of a stormwater fee throughout the Borough.

Chairman Chomnuk noted that this is a Council decision.

September 18, 2018

### SOLICITOR'S REPORT

Solicitor Pompo referred to the report distributed. He explained HB 2533 which would create a Municipal Water and Wastewater Authority Oversight Commission to supervise and regulate Municipal Authorities. He added that this would be a hardship to the Authority and the Pennsylvania Municipal Authorities Association is opposing this House Bill.

Solicitor Pompo also advised that he is awaiting comments from Lower Pottsgrove Township's Solicitor regarding the amendments to the present regional agreement. He added that Lower Pottsgrove Township is taking the lead with the expectation that similar terms will be carried through with West and Upper Pottsgroves. He also noted that any I & I issue with the Townships, could be incorporated in the amendments of the agreements.

Solicitor Pompo also provided an explanation regarding the License Agreement for the Colebrookdale Easement. He advised that the Authority does not have an easement to place the sewer line within the railroad right of way property but the Borough was granted a license agreement to place a line within the railroad. He will be working with the Berks County Redevelopment Authority to resolve this matter.

Mr. Keller suggested that the Authority be granted more than a 60-day notice for any amendments in this agreement.

Solicitor Pompo referred to the draft Agreements regarding the Spring Valley Farms Phase II and will discuss later on the agenda.

### ENGINEER'S REPORT

Mr. Weld referred to the report distributed. He noted that most items are being addressed on the agenda.

Mr. Keller referred to the outline provided by Mr. Weld regarding the Dryer Contract No.158. He commented that there have been certain Value Engineering changes with a credit of \$63,350 to date, adding that there was an error on the platform design.

### UTILITIES DIRECTOR'S REPORT

Mr. Wagner explained the results of the recent rain events, which exceeded amounts from data of the 1800's. He also noted that due to the rain, there has been a dilution issue, wherein flows have increased and concentration has decreased and may have resulted in a violation. Data is being finalized. Mr. Wagner also reported that a flange in Screw Pump E, that may have been a welding issue, has since been repaired and will be addressing with the manufacturer.

Mr. Wagner reported that there was a major DEP inspection at the Water Treatment Plant for evaluations of the chlorine. He will be working with Mr. Weld and Staff to dispute the DEP findings.

### PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger advised that fall flushing will begin the week of September 24<sup>th</sup> and the manhole

September 18, 2018

replacement project is progressing for the total of 1,700 manholes to address. He also reported that Staff is painting hydrants, starting in in Lower Pottsgrove and working east to west.

## **FINANCE**

Mr. Keszczyk reviewed the financial reports distributed. He will review the rate increases under new business.

## **OLD BUSINESS**

### **Contract No. 151**

Mr. Weld provided a cost review and information regarding Contract No.151. He reviewed the additional costs for paving, milling and overlay, in addition to water and sewer projects and stormwater issues. These items were based on bids, except the stormwater costs. He also explained the action between the PennDOT and PECO projects regarding the paving and milling. Mr. Weld advised that PECO provided \$16,978 towards the project. The final close out documents will be provided for approval at the October meeting with a contract total of \$5,866,934.

Mr. Carroll requested an explanation as to the cost of using tar to repair cracks in the roadways as is done in certain townships.

Mr. Yerger noted that this is done in the fall season and depends on manpower.

### **Spring Valley Farms Development –Phase II**

Solicitor Pompo referred to the agreements for the Spring Valley Farms, Phase II development. He noted that the performance bond has not been signed by the contractor, Allen Meyers. Solicitor Pompo recommended that the documents be approved, conditioned upon the appropriate signatures and the completion of Phase I for the PRP Chamber.

Mr. Carroll moved to approve and authorize execution of the Spring Valley Farms Phase II Development Agreements, conditioned upon the completion of the Pressure Reducing Valve Chamber associated with Phase I and obtaining appropriate signatures on all documents and subject to approval of the Authority Engineer and Authority Solicitor. Mr. Benner seconded the motion and it passed unanimously.

## **NEW BUSINESS**

### **Water Rate and Collection Rate Increase**

Mr. Keszczyk provided a water usage rate history from 2009 to 2018. He noted that rates remained constant from 2010 to 2016 resulting in a usage rate increase of \$.27 in 2017 and \$10 base rate increase in 2011 and a \$6.00 increase in 2017. He also provided an analysis of an average bill with various meter sizes and recommended a base rate increase of \$2.00 for three consecutive years and a usage rate of \$.15 for three consecutive years, with an estimated quarterly increase on an average bill of a 5/8” meter to be \$4.72. This recommendation would result in sustaining the five-year capital plan.

September 18, 2018

Mr. Keszczyk confirmed that there is presently no need for a sewer increase.

Mr. Yerger also noted that there are 50 miles of clay pipe to be replaced.

Mr. Renn moved to approve and authorize a water base rate increase of \$2.00 per year for 2019, 2020 and 2021 and a \$.15 usage rate per year for 2019, 2020 and 2021 as outlined in the Water Rate Analysis dated September 18, 2018. Mr. Ecker seconded the motion and it passed unanimously.

#### RFP FOR ENGINEER

Chairman Chomnuk noted that at the recent pre-agenda meeting, it was the consensus to issue Request for Proposals for the Authority Engineer position and asked Mr. Keller to proceed with the advertising. Mr. Chomnuk assigned the review committee to consist of Mr. Benner as Chairman and Mr. Ecker, Mr. Keller and Mr. Yerger, Mr. Wagner and Mr. Keszczyk as the members.

#### BUDGET

Ms. Lee referred to the 2019 proposed budget with revenues and expenses at \$22,308,573. She advised that the 2018 budget was in the amount of \$28,532,128 and as there was a decrease in water and sewer line replacements. Ms. Lee also noted that the 2019 budget includes the water rate increase. It also includes the proposed position of an in-house utilities inspector position, with a civil engineering degree, as recommended by the Financial Sustainability Oversight Committee.

Mr. Keller added that the budget includes the wages, healthcare and workers' compensation insurance items listed by employee.

Mr. Carroll moved to approve and accept the 2019 Water and Sewer Budget as presented and as dated September 18, 2018. Mr. Benner seconded the motion and it passed unanimously.

#### HB 2533

Chairman Chomnuk recommended that a letter be drafted in opposition of HB2533.

Mr. Benner moved to authorize Staff to draft a letter in opposition of HB 2533 on behalf of the Pottstown Borough Authority Board. Mr. Carroll seconded the motion and it passed unanimously.

#### AUTHORITY MAGAZINE

Chairman Chomnuk requested that additional copies of the PMAA "Proud History Bright Future" be ordered for the Board and Borough Council. The article discusses the value and ownership of public water and sewer systems.

#### AUTHORITY MANAGER

Mr. Benner moved to appoint Justin Keller as the Authority Manager for the Pottstown Borough Authority. Mr. Carroll seconded the motion and it passed unanimously.

September 18, 2018

**ADJOURNMENT**

The meeting adjourned at 9:00 p.m. on motion by Mr. Renn.

Submitted by,

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