

June 16, 2009

**POTTSTOWN BOROUGH AUTHORITY  
WATER**

**CALL TO ORDER**

Chairman Downie called the meeting to order at 7:00 p.m. Present were Ronald Downie, Don Read, Aram Ecker, Tom Carroll and Doug Dilliplane. Also in attendance were Assistant Manager Jason Bobst, Solicitor David Garner, Public Works Director Doug Yerger, Bookkeeper Janice Lee, Utilities Coordinator Brent Wagner and Borough Secretary Virginia Takach. Tom Weld, BCM Engineers and Manager Raymond Lopez were absent.

**PUBLIC COMMENT**

Larry Carter, Sr., spoke on behalf of his parents, Mr. & Mrs. Leroy Watson, 220 Glasgow Street, regarding an on-going water and sewer back-up problem in their basement. He explained that his parents put in a new sewer line from the house to the curb, which did not solve the problem.

Doug Yerger advised that he was aware of the situation and explained that the house is in West Pottsgrove Township and could not enforce plugging the floor drains in the basement. He added that a check valve may also solve the back up problem.

Solicitor Garner recommended that West Pottsgrove's building codes would apply in this situation. He noted that the Wastewater Collection Division has addressed the issue governed by this Authority.

After a brief discussion, Mr. Ecker agreed to contact Mr. Carter to assist in resolving this problem.

**COMMITTEE REPORTS**

**ENERGY PRESENTATION**

Jim Williams from EnerNOC was present to provide information regarding a cost analysis and strategic plan for energy savings with the upcoming deregulation expected in January 2011. He also explained the blackout program with which EnerNOC presently assists the Borough. Mr. Williams added that EnerNOC assists in evaluating all energy invoices and data and makes a recommendation for purchasing energy from a third party supplier. He also advised that energy can presently be purchased through 2012.

Mr. Williams explained the first year fee for the Borough would be approximately \$15,000, which would include gathering data, billing, devising a strategy and the RFP's for suppliers.

June 16, 2009

Mr. Wagner confirmed that last year the Authority saved \$12,000 through the efforts of the EnerNOC system.

Mr. Williams agreed to provide the Board with a list of references for the next meeting.

### MARKETING

Mr. Read reported that he met with Superior Water Company and will be sharing information and providing details on the DEP mandate of public notification. He will provide additional reports as received.

### FINANCE

Chairman Downie noted that there was no official meeting.

### ODOR REPORT

Mr. Wagner noted that there were no complaints.

### RESTRUCTURING

Chairman Downie noted that under the Early Intervention Program's (EIP) Financial Analysis and Review, it was stated that "As the owner of the utilities, the Borough is permitted to use the revenue generated from service fees not only to provide for water and sewer service but may transfer funds to other Borough uses." He also noted that there was a contradictory statement on the Borough's website. The comments on the website are correct. Mr. Downie requested that the Solicitor be authorized to provide a legal opinion to correct the statements regarding the ownership of the utilities on behalf of the Authority.

Mr. Dilliplane moved to authorize the Solicitor to provide a legal opinion and requested the erroneous statements be corrected. Mr. Ecker seconded the motion.

Mr. Read agreed that the EIP's information is stated incorrectly and the website is correct. He questioned the purpose of providing a legal opinion from the Solicitor and stated that eventually the entire report will be reviewed.

Mr. Ecker commented that it would be prudent to have the corrections made.

Mr. Wagner volunteered to address this matter with EIP on behalf of the Authority.

Chairman Downie preferred to have the legal opinion.

Motion carried: 4 ayes, 1 nay. Mr. Read cast the negative vote.

June 16, 2009

Chairman Downie urged the Restructuring Committee to come up with language to present to Council that would give the responsibility of both sewer and water and budgets to the Authority for any discussion or rendering of judgments.

Solicitor Garner noted this may be a minor adjustment in the agreement, which has not been addressed by Council in some time. He agreed that the water agreement is vague and suggested both agreements be amended.

Mr. Read also commented on the position of the Authority manager.

Chairman Downie responded that a meeting will be scheduled by the end of June to finalize this position.

### CORRESPONDENCE

Chairman Downie referred to an article in *Berks & Beyond* regarding unpaid utility accounts that had already been sent to collections. The article also referred to the possibility of municipal utility accounts being taken over by the Public Utilities Commission adding that any rate increase would need to be approved by the PUC, which would suggest an automatic increase every six months.

### OLD BUSINESS

#### MINUTES

Chairman Downie asked for additions or corrections to the minutes of May 19, 2009. Hearing none, the minutes stood approved.

#### AQUA PA WATER PLANT VISIT

Mr. Wagner reported that he, along with his staff and Tom Weld, toured the Aqua PA's Ridley Water Treatment Plant in Media, PA. The plant has a similar sludge system that is being proposed for the Borough's Waste Treatment Plant in order to process the sludge more efficiently. He added that revisions to the sludge handling are part of the PA H2O grant application. Ridley's operation would be the most cost effective option for the Borough. He also advised that this could be a \$5 to \$7 million-dollar project.

Mr. Wagner agreed to consult with BCM to provide the cost estimate for the engineering and design for the next meeting.

#### PUBLIC NOTIFICATION REGULATIONS

Mr. Wagner reported that he has contacted six companies to provide quotes for the Reverse 911 Systems to be mandated in May 2010. He received a quote from Rapid Response and one from Code Red, both \$10,000 per year. Mr. Wagner advised that he is

June 16, 2009

awaiting a quote from Swift Reach and would have a recommendation for the next meeting.

### WASHINGTON HILL TANK

Chairman Downie advised that a DEP inspection of the new Washington Hill Tank is scheduled for June 17<sup>th</sup>, 1:30 p.m.

Mr. Yerger confirmed that he would report any issues and will await final paperwork before the tank can be put on line.

### NEW BUSINESS

#### RATE INCREASE

Chairman Downie reiterated his suggestion for a mid-year rate increase. He added that \$400,000 of surplus money was used last year to defray the increase. Mr. Downie also referred to a chart provided by BCM.

Mrs. Lee also provided a handout with a comparison of the financials for the same periods in 2008 and 2009. She suggested that the accounts were approximately at the half-way point of the budgeted amount for 2009 and stated that an increase at this time would be a hardship for already financially stressed customers.

Mr. Bobst confirmed that the \$400,000 from the reserve account was not included in the actual amount of the balance. The transfer will have to be done from the cash account back into the reserves. He cautioned the Board in continuing to use the reserve account.

Mrs. Lee also stated that these amounts do not include the outstanding balances with the Townships.

Chairman Downie's concern was to not have a double-digit increase in rates for 2010.

Mr. Ecker suggested raising the rates for the outside zones in the Townships to \$2.00, adding that he would not agree to an increase for ratepayers in the Borough.

Mr. Dilliplane explained that the difference in the zones was due to infrastructure needed to get to the higher levels and these zones are usually outside the Borough.

Mrs. Lee requested additional time to work with Mr. Wagner for suggested fee schedules and repeated offenders.

Mr. Ecker moved to raise the rate of the Pottstown Borough Authority customers outside the Borough to \$2.00. Mr. Read seconded the motion.

June 16, 2009

Mr. Yerger commented that the water comes from West Pottsgrove adding that it does not necessarily cost more to put out into the Townships.

Solicitor Garner cautioned that any rate adjustment would have to be reasonably related to the charges that support it and must be fair and appropriate.

After a brief discussion, Mr. Ecker agreed to withdraw his motion and Mr. Read withdrew his second to the motion.

Chairman Downie noted that this matter would be revisited throughout the budget process.

#### WATER & SEWER TRENCH PATCHING BID AWARD

Mr. Read motioned to award the Water & Sewer Trench Patching bid to Wexton, Inc., Mohrsville, PA with a total costs of \$17,387.16. Mr. Dilliplane seconded the motion and it passed unanimously.

#### MAIN BREAK ON HIGH STREET

Mr. Wagner reported that two water main breaks took place on May 20<sup>th</sup> in the 500 block of High Street. He advised that there was a pressure increase at the Water Treatment Plant but should not have been related to the breaks. Mr. Wagner added that the breaks should be attributed to the age of the pipes.

Mr. Yerger confirmed that there is a record of the age of the 115 miles of pipes. He added that replacement is based on the number of breaks in a block. Mr. Yerger agreed to provide the Board with a graph of the pipe system. He also recommended the eventual replacement of the backhoe. Mr. Yerger also explained the problem with the aging valves, which deterred getting the second main break under control.

Chairman Downie thanked all those involved in resolving these breaks.

#### ADJOURNMENT

The meeting adjourned at 9:08 p.m. on motion by Mr. Ecker.

Submitted by Virginia Takach, Borough Secretary  
for Don Read, Secretary