

April 19, 2022

POTTSTOWN BOROUGH AUTHORITY

CALL TO ORDER

Chairman Chomnuk called the meeting to order at 7:00 p.m.

ATTENDANCE

Present were Mike Benner, Jeff Chomnuk, Aram Ecker, and David Renn. Also in attendance were Solicitor Vincent Pompo, Authority Manager Justin Keller, Engineer Cory Salmon, Public Works Director Doug Yerger, Utilities Director Brent Wagner, Bookkeeper Gerry Keszczyk and Borough Secretary Virginia Takach. Tom Carroll was absent.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Mr. Benner moved to approve the March 15, 2022 minutes as presented. Mr. Renn seconded the motion and it passed unanimously.

Chairman Chomnuk announced that the Presentation from PFM Financial Advisors will be removed from the agenda. He noted that the proposal would not benefit the Authority at this time.

COMMITTEE REPORTS

Authority -Townships Meeting

Mr. Keller provided a report in Mr. Carroll's absence. He noted that Lower Pottsgrove is requiring the lateral to be televised and inspected at the time of sale in order to address its I & I situations. There was also a discussion on the Industrial Highway meter that Lower is asking to remove. Mr. Keller advised that a site visit is scheduled for this Friday with Engineer Cory Salmon.

AUTHORITY MANAGER'S REPORT

Mr. Keller advised that the annual Consumer Confident Report is posted on the website and has been distributed to various locations. He also reported that he is working with IT specialist to add items to monitor I & I and conditions, i.e. floor drains, roof leaders and sump pumps and Inspectors will be trained on this new system. Mr. Keller noted that Aqua continues work on the Farmington Avenue interconnection.

Mr. Keller announced the April 14th opening of the King Steet Bridge, a \$4.2 million project. He also introduced David Haygood, the newly appointed Assistant Director of Public Works and provided David's background. Mr. Keller announced the loss of one Maintenance Operator at the Wastewater Treatment Plant to another municipality.

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SOLICITOR'S REPORT

Solicitor Pompo referred to the report distributed with nothing new or specific to report.

ENGINEER'S REPORT

Mr. Salmon referred to the written report and noted that specific items will be discussed on the agenda.

UTILITIES DIRECTOR'S REPORT

Mr. Wagner advised that the return sludge valve at the Wastewater Treatment Plant is broken. He is working with Finance to replace the essential item under the capital plan, which may take 9-12 months for parts. He commented on the large rain events in the last few weeks, with no issues at the plants. Mr. Wagner also provided an update on the efficiency of the influent screens. He also advised that the Air Scour system and basin clean-up continues at the Water Treatment Plant.

PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger reported that the water crew is working on a 20" main on West King Street. He also explained the sizable shut-down expected throughout Pottsgrove Manor, which is expected to start in early May. The sewer crew continues with flushing and televising mains. He also advised that milling should begin on April 25th on High Street at Charlotte Street and east to Keim Street.

FINANCE REPORT

Mr. Keszczyk reported that the water revenues are at 25% received and expenses at 22%. The sewer revenues are at 27% and expenses at 13% year-to-date. He added that the bulk revenue is under budget by \$29,000 year-to-date. The sludge disposal expense is under budget by \$63,000, both positive numbers. Mr. Keszczyk also advised that the 2021 Audit began on February 21st. The Pottsgroves' second quarter O & M's were sent on April 1st and due May 1st. Mr. Keszczyk noted that no major expenses have occurred year to date.

OLD BUSINESS

Removal Lower Pottsgrove Industrial Highway Meter

Mr. Salmon advised that he has an on-site meeting with Ed Wagner on April 22nd. He noted that his preliminary recommendation remains, which is to suggest a different meter, such as the laser meter or a different measurement of the water usage or measure on an EDU basis. Mr. Cory added that the agreement states that the Authority can require Lower Pottsgrove to replace or maintain the meter if considered inadequate.

Mr. Keller requested that the findings be reported to him after the on-site meeting.

Discussion Replacement of Water Meters

Mr. Keszczyk provided an updated Water Capital Improvement plan for the Water Meter Replacement Project. He explained the calculations in billions of gallons by the water to distribution, less the metered water billed, the bulk water billed, the metered water-unbilled (i.e., fire companies, Borough

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Hall), hydrant flushing and the 5% meter deviation for the years 2012 to 2021. He noted that the estimate for hydrant flushing is 85 million gallons per year. In addition, he estimated 7-10% water loss, such as main breaks. Mr. Keszczyk converted the billions to units then to dollars. For the year 2021, the loss was estimated at \$495,198. He also explained that an increase to the usage rate of \$0.38 per unit would result in a \$406,000 per year in additional revenue, which would equate to a \$5 increase to the average resident bill per quarter.

Mr. Keszczyk also suggested that the Sewer revenue could contribute to the project since sewer billing is computed on water usage and requested that the Solicitor investigate the legality of this idea. Mr. Keszczyk also reviewed the different size meters throughout the system and suggested replacing the 2" meters starting in 2023.

Mr. Ecker suggesting initially addressing the commercial meters.

Mr. Yerger noted that the leak detector estimates a loss of 50,000 gallons per day. He also commended the new water crew for keeping up with addressing the leaks on a daily basis. He also provided a water meter cost chart by meter size, meter price, the number of meters and the total cost to replace.

Solicitor Pompo agreed to review the agreements to see if sewer revenues can be used for this project and will report at the May meeting.

NEW BUSINESS

Pole Building Water Treatment Plant – Bid Award

Mr. Wagner explained that Staff bid this project as related to the Air Scour system project. Staff is recommending Heritage Post Frame for a cost of \$82,300 to house the blowers and equipment for the Air Scour system.

Mr. Benner moved to award the Pole Building project for the Water Treatment Plant to Heritage Post Frame, Nottingham, PA for a total cost of \$82,300 as per the bid tabulation of March 11, 2022 and subject to approval of the Solicitor. Mr. Ecker seconded the motion and it passed unanimously.

Sanatoga Road Water Main Replacement Project

Mr. Salmon explained the project as part of the relocation of the water main and to have completed in time for the sanitary sewer main replacement in the fall.

Mr. Renn moved to authorize HRG to advertise the Sanatoga Road Water Main Replacement Project for public bidding. Mr. Benner seconded the motion and it passed unanimously.

Water Meter Reporting

Mr. Salmon requested authorization for HRG to continue with the water meter reporting as done previously and a renewal of the agreement.

Mr. Benner moved to grant approval to HRG to continue supporting the Water Meter Reporting from April 2022 to April 2023 under the same terms and conditions as the original 2019 Agreement at a cost of \$19,300. Mr. Renn seconded the motion and it passed unanimously.

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Wastewater Treatment Capacity Improvement

Mr. Salmon explained that the request to complete the design and bidding services for the Wastewater Treatment Plant to include the design plan to DEP, the high flow management plan and hydraulic calculations and possible permitting. He estimated the cost to be \$20,270.

Mr. Benner moved to authorize HRG to complete the design and bidding services for the Wastewater Treatment Plant Capacity Improvement Project for a T & M Estimated Fee of \$20,700. Mr. Renn seconded the motion.

Mr. Keszczyk explained this was a split cost with the Townships and a budgeted amount for this year and they are already billed for staff hours.

The motion passed unanimously.

Reject PennVEST Funding

Mr. Salmon referred to comments in the Engineer's Report, noting that after the extension was granted, PennVEST revised the settlement date to January 19, 2023 and that any additional grant dollars obtained would reduce the grant amount and loan amount proportionally. HRG's recommendation is to reject the funding as the Authority has indicated to not pursue any additional loans or debt.

Mr. Keller added that there are other funding sources, such as the Infrastructure Bill and the \$160 million with the County to fund water infrastructure that requires no match.

Mr. Ecker moved to accept the recommendation of HRG to reject the funding offer of PennVEST for the Lead Line Replacement Initiative. Mr. Benner seconded the motion and it passed unanimously.

Application to Montgomery County ARPA funding for Lead Service Replacements

Mr. Salmon noted that applications to the County are due by April 30, 2022 and requested authorization to submit a grant to the County for Lead Service Replacements in the amount of \$1,500.

Mr. Benner moved to authorize HRG to submit an application to Montgomery County ARPA funding for the Lead Service Replacement Project in the amount of \$1,500. Mr. Renn seconded the motion and it passed unanimously.

Upper Pottsgrove Support Agreement

Mr. Keller explained his discussions with Upper Pottsgrove Township regarding its billing services and with Dallas Data and the upcoming billing from PA America. Upper Pottsgrove is requesting a cut-off date to be January 1, 2023. Mr. Keller added that this may require a change to the existing Agreement and would need approval of the PUC as well.

Mr. Keszczyk confirmed that if the sale closes in August 2022, any account receivables will be collected through the end of the year and any outstanding debts by the end of the year would be sent to collections. He added that a letter would be sent to all Upper Pottsgrove customers. Upper Pottsgrove will pay for the Dallas Data services and the inserts going into the bills.

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Mr. Keszczyk noted that the Borough will not pay any outstanding bills to Upper Pottsgrove until the payment is received by the resident, with an estimated 500 water customers and 1,500 sewer customers and 90% are on autopay.

Mr. Benner moved to authorize the Solicitor to prepare an amendment to the Support Agreement between the Pottstown Borough Authority and Upper Pottsgrove Township, subject to approval of the Borough of Pottstown. Mr. Renn seconded the motion and it passed unanimously.

ADJOURNMENT

The meeting adjourned at 8:20 p.m. on motion by Mr. Benner.

Submitted by,

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