

September 19, 2023

POTTSTOWN BOROUGH AUTHORITY

ATTENDANCE

Present were Mike Benner, Jeff Chomnuk, Aram Ecker, Mark Gibson and David Renn. Also present were Solicitor Vincent Pompo (virtual), Engineer Cory Salmon, Public Works Director Doug Yerger, Assistant Public Works Director David Haygood, Utilities Director Brent Wagner, Bookkeeper Gerry Keszczyk, Manager Justin Keller and Borough Secretary Virginia Takach.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Mr. Benner moved to approve the minutes of the July 18, 2023 meeting. Mr. Gibson seconded the motion and it passed unanimously.

AUTHORITY MANAGER'S REPORT

Manager Keller provided an update on the Authority Roadway impact fee to the Borough. He noted that Staff is moving forward with the proposal for crack-sealing on Industrial Highway and evaluating the guide rails for options to replace or repair. He also advised that the Borough's budget will be presented to Council at its October meetings. Staff is conducting AFSCME negotiations for the upcoming contract. Mr. Keller advised that the committee is in the process of holding interviews with candidates for Assistant Borough Manager and will have a recommendation in October. He also announced that the Borough finalized an agreement with BASF for the purposes of a Borough park and park improvements at 860 Cross Street, free of charge. This agreement will offset land in Memorial Park where the Authority built a pump station, which was a violation of Federal rules regarding conservation funding. This will prevent any obstacles for obtaining grant money from DCNR and will use Authority funds to hire an engineer for surveying.

Manager Keller commended Cory Salmon for being featured in the Wastewater Digest Young Pros Video Series.

SOLICITOR'S REPORT

Solicitor Pompo referred to the written report distributed. He noted that there was minimal action on the legislative side.

ENGINEER'S REPORT

Mr. Salmon referred to the report distributed and provided an update on the CFA application for the generator for the Lower Pump House. The CFA postponed last week's meeting and therefore may not have further information until November. Additional items in the report will be addressed on the agenda.

Mr. Salmon confirmed that the Jackson Street Tank and the Willow Street Tank are scheduled for painting and repairs in the next year. He is expecting to use a co-stars firm.

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Mr. Yerger noted that the K-Mart tank had to be tented due to it being 165' high.

Mr. Renn praised the contractors, JOAO & Bradley for their outstanding work.

UTILITIES DIRECTOR'S REPORT

Mr. Wagner reported that there was a slight malfunction with the UV system at the Water Treatment Plant. A recent meeting with DEP discussed the difficulty getting parts. Mr. Wagner will keep the Board informed.

Mr. Wagner noted that at the Wastewater Treatment Plant, the items for the Lower Pump House have been ordered. The rebuild and the new bypass will be done at the same time through co-stars and Blooming Glen, which should take approximately 3-4 days. Mr. Wagner advised that the sludge valves project will be moved to spring 2024 as it may require two-week plant shutdown. The bid for sludge and chemicals are forthcoming.

PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger reported that the water crew is replacing new meters, while waiting for ¾" meters. He added that the sewer crew is short-staffed presently and there was an incident with damage to the camera equipment and awaiting parts.

FINANCE

Mr. Keszczyk reported that the water revenues are at 70% and expenses at 62% for the year. The sewer revenues are at 75% and expenses at 48% for the year. Mr. Keszczyk also reported that the bulk sewer revenue is over budget by approximately \$169,000 and sludge hauling expense is under budget by approximately \$29,000. He added that \$110,000 has been transferred to the General Fund for bulk hauler tipping fees.

Mr. Keszczyk reported that the budget is being finalized and addressing several capital items on both the water and sewer side, in addition to equipment and vehicle purchases and one staff person each to water and sewer. Mr. Keszczyk will have more definite numbers for the October meeting.

OLD BUSINESS

None.

NEW BUSINESS

EXTENSION OF AUTHORITY TERM OF EXISTENCE – Solicitor Pompo explained that presently the Authority's term of existence extends to 2038. He added that the Authority has entered into a long-term agreement with Mascaro that may go beyond this term. Solicitor Pompo advised that the Authority's Act allows for an extension for a period of 50 years. His recommendation is to extend the existing existence for another 50 years.

AMENDMENTS TO AUTHORIZE PROJECTS UNDER ARTICLES OF INCORPORATION –

Solicitor Pompo advised that an amendment to the Articles would require a resolution from the Board and resolution or ordinance from the Borough to approve the Articles amendment, a public notice and

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a filing with the Department of State. Solicitor Pompo agreed to work with the Borough Solicitor, Charles Garner on this matter.

Solicitor Pompo also explained the Management Agreement between the Borough and the Authority to manage the water system. As the debt of the water system is being reduced, the calculation results in less money for the Borough. An amendment would create a legal basis that would enlarge the mission or purpose for projects, which may have some connection to water and sewer purposes, improvements to health and safety, stormwater, highway upgrades and related tasks.

Mr. Keller also explained that the Management Fee goes into the Borough's General Fund, with last year's amount of \$460,000 as a revenue line item, which helps to lower the tax burden on the residents. In addition, the tipping fee for roadway improvements and the \$50,000 annual stormwater piping upgrades and sump pumps into the roadways are in addition to the \$460,000 management fee. Mr. Keller reviewed the Funding Policy, dated September 18, 2023, and outlined the areas of the Proposed Scope Expansion to include the Authority's work beyond water and sewer projects, to include the option to pave roadways associated with projects and to address compromised stormwater facilities in the water/sewer project area if funds are available. He also explained the use of slip lining to allow the option for paving if funds are available. Mr. Keller added there is the option to allocate funds with a grant program for removal and replacement of street trees and associated sidewalk work in the Borough, which negatively affect laterals within 8 feet of the tree.

MANAGEMENT FEE DISCUSSION – Mr. Keller referred to the Management Fee Discussion chart and noted the historical trends of the Management Fee debt service and operating budget with the two options to consider. He reviewed the fees from 2014 to 2024 and recommended foregoing the Credit Enhancement Agreement, which was put in place to ensure the Management Fee would remain consistent due to the debt service. Another option to consider would be assigning the Management Fee based on a percentage of the yearly budget.

Mr. Keszczyk added that the Management Fee is based on next year's budget and next year's debt service.

Mr. Keller explained the 2024 Operating Budget and the increase from 2023, an increase of 22.35%, which is due to increased costs and confirmed that the Management Fee is for water not sewer.

It was the consensus of the Board to authorize the Solicitor to proceed with drafting amendments to the Articles of Incorporation and Authority Terms of Existence and consult with the Borough Solicitor.

PENNVEST REIMBURSEMENT REQUEST

Mr. Benner moved to authorize the reimbursement request to PennVest in the amount of \$71,983.11. Mr. Renn seconded the motion and it passed unanimously.

LEAD SERVICE REPLACEMENT PROJECT

Mr. Benner moved to authorize Payment #4, to JOAO & Bradley contractors for Phase 1 of the Lead Service Replacement Project in the amount of \$60,761.65. Mr. Renn seconded the motion and it passed unanimously.

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TRAIL EASEMENT WITH MONTGOMERY COUNTY

Mr. Benner moved to approve and authorize execution of the Trail Easement between the Pottstown Borough Authority and Montgomery County for property Parcel No. 160021184004.

Solicitor Pompo referred to the Trail Easement Agreement between Pottstown Borough Authority and Montgomery County to construct a permanent segment of the Schuylkill River Trail for recreational use, including walking, bicycling, horseback riding, to align with Lower Pottsgrove Township, for Parcel No 160021184004.

The motion passed unanimously.

LEAD SERVICE REPLACEMENT PROJECT – CHANGE ORDER NO. 8

Mr. Benner moved to approve the final Change Order for the Lead Service Replacement Project in a decrease amount of approximately \$225,165.36. Mr. Renn seconded the motion.

Mr. Salmon explained that the contract was for up to 100 replacements including 6 replacements to property lines.

Mr. Ecker praised the efforts of these contractors for their impressive work.

The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 8:10 p.m. on motion by Mr. Renn.

Submitted by,

Virginia L. Takach, Borough Secretary
for Secretary David Renn