

**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 Public Works Director Doug Yerger, Authority Manager Raymond Lopez, Solicitor David Garner, Tom Weld, BCM Engineers, Bookkeeper Robert Armelin, Utilities Director Robert Maul and Borough Secretary, Virginia Takach.

PUBLIC COMMENT

a. Bruce Madara, 543 North Adams Street – questioned the financing assistance provided to Creative Health and also the proposed increase in rates, suggesting that this is an incongruity.

Solicitor Garner commented that the Authority acted as a conduit for Creative Health and no monies came from the Authority. He added that a placement fee was paid to Authority in the amount of \$12,500.

BOND RESOLUTION

Robert Jones, Bond Counsel with Saul Ewing, was present to explain the requirements and process for the financing of the Capital Program. He explained that this would be the Fifth Supplemental Indenture for the placement of the 2007 bond from Municipal Services Group, Inc. He noted a correction to be made in the final Resolution that the installments shall be made payable June 28 and December 28, not April 1 and October 1 as stated in the draft. Attorney Jones advised that a letter of commitment was received on this date from MSG, the placement agent, committing to fund the transaction by December 28, but did not yet identify the investor. Mr. Jones also explained the complexities of the tax rules under tax exempt financing.

Mr. Armelin and Mr. Busch confirmed these procedures and advised that an excellent record keeping system will tie into the bank statements for tracking all milestones associated with the bond issue. Mr. Busch agreed to provide monthly reports to the Authority.

Mr. Carroll motioned to adopt the Bond Resolution authorizing the Authority to issue its Water Revenue Bond, Series of 2007, in an aggregate principal amount not to exceed \$4,200,000 with installment dates as amended. Mr. Dilliplane seconded the motion.

Chairman Downie requested a roll-call vote.

Carroll	yes	Ecker	yes
Dilliplane	yes	Read	yes
Downie	yes		

The motion passed unanimously.

CORRESPONDENCE

Mr. Lopez provided an outline of procedures with the plant supervisors regarding expenditures, service contracts, bid awards and purchases. He added that he has made the management staff meetings mandatory to provide the best avenue of communication. Mr. Lopez added that he is also working toward completing the networking of the remote sites to provide the hardware and software compatible with Borough Hall.

Mr. Armelin added that it is the best business practice to not provide the normal utility bills to the individual departments in order to have them processed expeditiously and to avoid any disruption in service.

Mr. Carroll requested that the 2008 budget information be presented in a simpler manner.

Mr. Armelin noted that certain accounts should remain separated and would look into revising the presentation.

Mr. Lopez also explained that the Pennsylvania Municipal Authorities Association has requested information for Authority members, such as email addresses, which would be kept confidential. It was the consensus of all members to provide this information to PMAA.

COMMITTEE REPORTS

MARKETING REPORT

Mr. Read advised that he would be meeting with Mr. Paravis, North Coventry Township, in the near future.

LEASE MANAGEMENT AGREEMENT

Mr. Read noted that there was nothing new to report.

Mr. Read agreed to coordinate a meeting with this committee and the newly elected Councilors.

ENERGY

Mr. Maul reviewed the report distributed regarding the Pottstown Water Plant Energy Facts. He noted that the highest percentage of energy used is from the service pumps. He explained the energy conservation measures already in place, such as backwashing the filters in off peak hours, changing lighting fixtures to energy saving lights and only using the 180 HP raw water pump if necessary.

Mr. Maul also explained that three shifts are currently being run at the plant. The average hour of operation at the plant is approximately 16 hours per day.

December 18, 2007

OLD BUSINESS

MINUTES

Mr. Downie asked for additions or corrections to the minutes of the November 20, 2007 meeting. Hearing none, the minutes stood approved.

2008 RATE STRUCTURE

Mr. Busch explained the five options for the 2008 Rate Structure. He noted that all options, except Option 4, would provide for the \$191,000 in additional dollars in revenue, which would equal the 5% additional revenue to the Authority. Mr. Busch's recommendation is to go with Option 3, a \$.16 usage rate increase only, adding that the low zone average increase would be 4.6%, high zone increase would be 4.3% and the super high zone average increase at 3.5%.

Mr. Read motioned to accept Option 3, a \$.16 Usage Rate increase only for the 2008 Water Rate. Mr. Carroll seconded the motion.

Mr. Ecker questioned why the \$4,000,000 in reserve is not used to cover the rate increase.

Mr. Weld explained that \$4,000,000 is not an excessive amount to hold in reserves if an emergency situation arose such as the replacement of filters or a 1964 pump, which could cost \$600,000 for replacement.

The motion carried: 4 ayes, 1 nay. Mr. Ecker cast the negative vote.

CELL ANTENNA LEASE AT JACKSON STREET WATER TANK

Solicitor Garner reviewed the request of T-Mobile to place an antenna on the Jackson Street Tank as discussed at the October meeting. He added that the proposed initial rent would be \$1,400 per month. Mr. Garner advised that after contacting the members, a formal lease agreement has been signed in order to expedite the process and requested ratification of this agreement.

Mr. Dillipane motioned to ratify the execution of the Lease Agreement between T-Mobile and the Authority for the placement of an antenna at the Jackson Street Tank. Mr. Carroll seconded the motion and it passed unanimously.

CREATIVE HEALTH FINANCING – STATUS REPORT

Solicitor Garner provided an update on the financing of Creative Health. He noted that the closing of the documents took place on November 26th and the placement fee has been paid. Mr. Garner added that he would investigate if the Board would be allowed to designate the placement fee for a specific project.

December 18, 2007

NEW BUSINESS

FILTER INSPECTION REPORT

Mr. Weld provided a brief report evaluation of the problems with most of the filters as submitted by Roberts Water Technologies. He noted that Filter #6 is in the worst condition and may be taken off line. Mr. Weld added that this report was provided to DEP and advised that to remedy these filters the possible cost is in the area of \$700,000 to \$800,000.

Mr. Maul advised that a reply has not yet been received from DEP regarding this report.

2008 MEETING SCHEDULE

Mr. Dilliplane motioned to approve and advertise the 2008 Authority meeting schedule as presented. Mr. Ecker seconded the motion and it passed unanimously.

TRAP ROCK CLOSEOUT

Solicitor Garner requested the approval of the Trap Rock construction phase of the project. He added that all construction has been met and satisfied by the Engineer.

Mr. Dilliplane motioned to approve the Close Out documents of the Trap Rock Business Center project subject to approval of the Authority Solicitor. Mr. Ecker seconded the motion and it passed unanimously.

2007 WATER MAIN REPLACEMENT

Mr. Weld explained that since the printing of the Engineer's Report, he had correspondence from DEP and it may not be necessary to follow the "Boil Water Advisory" requirements for the 15 areas of new pipe to be connected into the existing water system. He added that he should have additional information for the next meeting.

ADJOURNMENT

The meeting adjourned at 8:50 p.m. on motion by Mr. Read.

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