

April 21, 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 Manager Raymond Lopez, Solicitor David Garner, Public Works Director Doug Yerger, Finance Director Janice Lee, Tom Weld, BCM Engineers, Utilities Coordinator Brent Wagner and Borough Secretary Virginia Takach.

PUBLIC COMMENT

None.

CORRESPONDENCE

Manager Lopez introduced Janice Lee, the new Finance Director. Mr. Lopez also announced the personnel changes appointing Brent Wagner as the Utilities Coordinator and Bob Maul as the Operations and Maintenance Supervisor.

Ms. Lee commented that she would observe this evening and have comments for the next meeting.

Mr. Read also noted that there would be a Finance Committee meeting prior to the next Authority meeting.

Mr. Lopez added that he is continuing with the Authority's direction for the restructuring of the Authority Manager position.

MARKETING

Mr. Read had no report.

ENERGY

Mr. Wagner advised that the topics reviewed were solar, geothermal and wind power sources of energy, which will continue to be discussed. He added that the main concern at this time is the Electric Deregulation. Mr. Wagner recommended reducing operations during the peak hours of 11:00 a.m. to 6:00 p.m. from June 1st through August 31st to obtain a determination of the charges for 2011. He added that he has met with EnerNOC, who is presently dealing with the Authority on energy saving matters, and noted that an agreement with EnerNOC would reflect a very little impact regarding additional costs.

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Mr. Dilliplane motioned to authorize Staff to proceed with developing an analysis to review energy saving costs with various energy brokers to manage risk factors. Mr. Carroll seconded the motion and it passed unanimously.

FINANCE

Chairman Downie advised that there was no meeting but one will be scheduled prior to the next Authority meeting.

ODOR REPORT

Mr. Wagner advised there were no noted odors.

RESTRUCTURING

Chairman Downie advised that the ad hoc committee is meeting in June to finalize the Authority administrative position and would have a recommendation for the June meeting.

BOROUGH STAFFING UPDATE

Mr. Carroll moved to appoint Janice Lee as Bookkeeper for the Authority. Mr. Ecker seconded the motion and it passed unanimously.

OLD BUSINESS

MINUTES

Chairman Downie asked for additions or corrections to the minutes of March 17, 2009. Hearing none, the minutes stood approved.

REVIEW OF BIDS – CONTRACT #138 – FILTER MEDIA REPLACEMENT

Mr. Weld explained that the bids for Contract No. 138 were opened on April 16th for the Filter Media Replacement. He added that the apparent low bidder for both Part A, which is all the filters and Part B, which is six of the eight filters, lacks the experience in this type of project. Mr. Weld added that this project was submitted as part of the grant application and recommended the bids be held until further review of the experience clause. He added that response is expected from the Commonwealth Finance Authority by June.

CLOSEOUT OF WATER LINE REPLACEMENT, CONTRACT No. 126

Solicitor Garner reported that the contract for the Water Line Replacement has reached a final agreement. He noted that the subcontractors have been satisfied resulting

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in a compensating change order with a reduction in the contract by \$278,632.80. This includes work pulled from the contractor and units not used in the contract price.

Mr. Dilliplane moved to approve Change Order No. 1 for Contract No. 126, 2007 Water Line Replacement, resulting in a reduction amount of \$278,632.80. Mr. Carroll seconded the motion and it passed unanimously.

CLOSEOUT CONTRACT NO. 126

Mr. Ecker moved to close out Contract No. 126, 2007 Water Line Replacement. Mr. Dilliplane seconded the motion and it passed unanimously.

POTTSTOWN INDUSTRIAL COMPLEX (WATER AND SEWER SERVICE)

Mr. Weld advised that he met with the owner of the Pottstown Industrial Complex after approval of the concept to run water through Keim Street to Washington if the money were available. The sewer plans were reviewed also. Mr. Weld added that each of the properties has the ability to provide its own sewer service through flag lots. Mr. Weld also advised that if the Authority were to implement this work, a contribution would be needed in the amount of \$350,000 for water and \$300,000 for sewer and would require some type of grant.

Mr. Weld also reported on his meeting with Penn Vest regarding an application for Federal Stimulus money. As a result of the meeting, the project would probable not qualify for stimulus money but possibly a low interest loan.

After a brief discussion among the members, Chairman Downie suggesting seeking further information prior to making any decisions on this project.

Solicitor Garner suggested that the Borough is seeking County funds through Economic Development for such projects.

SUMMARY OF PROJECTS

Mr. Weld continued to review the handout of the Authority's Summary of Projects. He referred to the Energy – Green projects presented to Penn Vest and DEP, adding that the only project needing a permit would be the replacement of sludge lagoons. He reported that although they were thought to be good projects, they did not comply with requirements for grant money from the Federal Stimulus money or even a low interest loan.

Mr. Carroll suggested at looking at the long-range project and possibly raising rates rather than borrow for these projects.

Solicitor Garner advised that a mid-year budget review is scheduled for the June meeting.

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Mr. Weld also reviewed the ongoing water and sewer projects approved last October. He noted if the projects were completed by the Authority, there would be a shortfall in costs of approximately \$7 million dollars and suggested a borrowing of that amount should be considered at some point.

Mr. Weld requested the replacement of Utility Water Pumps be included in the contract for the Digester Blowers and Replacement of Diffusers presently being considered.

It was the consensus of the Board to authorize Mr. Weld to include the Replacement of Utility Water Pumps with the contract for the Digester Blowers.

Mr. Weld also suggested a Staff visit in the near future to Aqua Pennsylvania for view of their system.

NEW BUSINESS

ROBO CONTROLS BID AWARD

Mr. Wagner explained that only one bid was received for the Automatic Remote Operation Cylinder Shut-Off System, the Robo Control System to include the purchase, equipment and installation assistance.

Mr. Dilliplane moved to accept the bid of Pyr Water Supply Co., Inc., Harleysville, PA for the ROBO Control System for the Water Treatment Plant, in the amount of \$26,485, subject to review of the Solicitor and Engineer. Mr. Carroll seconded the motion and it passed unanimously.

ARMAND HAMMER BOOSTER STATION

Solicitor Garner explained that there remains outstanding issues with the pump station constructed in the mid-90's and has been negotiating with the Pottstown Memorial Medical Center officials to resolve these issues. The Hospital has requested that the Authority assume any reasonable attorney fees.

Mr. Read moved to authorize the Solicitor to continue negotiations with Pottstown Memorial Medical Center and its Attorney to resolve outstanding issues with the Armand Hammer Booster Station and agree to have the Authority assume the Hospital's reasonable Attorney fees on the matter. Mr. Dilliplane seconded the motion and it passed unanimously.

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WATER RATES

Mr. Ecker requested an update on the comparison of water rates as was provided previously. He suggested that the water rates be based on the cost of making water for the ratepayers.

Solicitor Garner advised that the rates would also include the cost of capital projects and improvements to the system.

Mr. Wagner also noted that the capital projects being considered would exist for the next 30 years.

ADJOURNMENT

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

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