

March 16, 2010

**POTTSTOWN BOROUGH AUTHORITY  
WATER**

**CALL TO ORDER**

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

**PUBLIC COMMENT**

None.

**CORRESPONDENCE**

Chairman Downie referred to a letter from Invest Program, Treasury Department, Commonwealth of Pennsylvania and directed it to the Finance Director for review.

Mr. Downie also distributed a Thank You note from the Guzenski's of Jefferson Avenue to the Board for resolving their ongoing sewer issues.

Chairman Downie reviewed the correspondence from Mr. Weld regarding "Fix a Leak Week" site and requested it be forwarded to the *Mercury* and the School District.

**COMMITTEE REPORTS**

**MARKETING**

Mr. Ecker advised that he is working with Mr. Weld on an analysis of the water rates.

Solicitor Garner confirmed that if there were a franchise in a certain area, a municipal authority would have to be invited into that area.

**ENERGY**

Mr. Wagner reviewed the energy quotes locking in electric rates and the telephone poll of the members that occurred on March 15<sup>th</sup>. The quotes were accepted unanimously.

Mr. Read commended Staff on its efforts in obtaining these quotes, which will result in considerable savings in energy.

Solicitor Garner advised that motions should be made to ratify these actions.

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Mr. Read moved to ratify the action approving a contract with Exelon Energy for 36 months for the Wastewater Treatment plant for electrical rates at a cost of 6.848 cents per kilowatt. Mr. Ecker seconded the motion and it passed unanimously.

Mr. Carroll moved to ratify the action approving a contract with Hess Corporation for 24 months for the Water Treatment plant for electrical rates at a cost of 7.333 cents per kilowatt. Mr. Ecker seconded the motion and it passed unanimously.

Mr. Read moved to ratify the action approving a contract with Exelon Energy for 36 months for general service electric charges at 9.638 cents per kilowatt. Mr. Carroll seconded the motion and it passed unanimously.

### ODOR

Mr. Wagner advised that there was one odor complaint from the Sports Complex due to the dryer shutting down.

There was a brief discussion regarding the dome over the Sports Complex. Mr. Weld noted that it would not be an effective tool for the plant.

### RESTRUCTURING

Mr. Bobst referred to the third draft of the Authority Utilities Administrative position, which will be a management position to assist in financial matters. He noted that he expected to have the position filled by July.

Mr. Carroll moved to authorize and approve the appropriate adjustments to the sewer and water fund consistent with the Draft #3 of the Utilities Administrator position created by Staff. Mr. Read seconded the motion and it passed unanimously.

Mr. Bobst confirmed that he would confer with the Finance Committee for further action.

Solicitor Garner advised that he has received correspondence from Attorney Robert Jones, Saul Ewing, regarding his analysis of the management agreements. He expects to have that analysis completed by next week and will provide to the Board at the earliest convenience.

### FINANCE COMMITTEE REPORT

Mr. Read reported that a Finance meeting was held on March 9<sup>th</sup>. He noted that Portnoff would continue to be the Collection Agency as approved by Borough Council.

Mr. Bobst added that a contract extension agreement was approved with conditions. He noted that a time-based system would be implemented along with adding

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generated reports in the Caselle database. Mr. Bobst also advised that the Sheriff sale enforcement would be imposed in a timely manner.

Solicitor Garner confirmed that the shut-off process is a tedious process with a cause of action that exists for tenants.

Mr. Wagner also noted that there has been discussion of implementing monthly bills with the intent to have payment collected on a timelier basis and will be a priority with the new administrative position.

Chairman Downie commented that Borough Council has made the decision and the process should proceed and take its course with the 15 properties listed for Sheriff sale and allow Staff to monitor and report to the Board.

Mr. Read also reiterated his suggestion of using the Authority Solicitor during upcoming contract negotiations.

### FINANCIAL REPORT

Ms. Lee reviewed financial reports, including the January month end, the audit and collections. She noted that there has not yet been a need to use the Tax Anticipation note.

Chairman Downie suggested a review of raising rates on a more regular basis and the possibility of cutting a percentage of expenditures.

It was also the consensus of the Board to proceed with the direction in the letter to Nick Conti, Douglass Village, regarding the hydrant invoice with a deadline of March 19<sup>th</sup>.

There was also a discussion on the close outs of developments and the escrow accounts. Ms. Lee requested that all escrows be tracked through the Finance Department. She added that she is working with Mr. Weld to more efficiently and uniformly track and close out projects.

### OLD BUSINESS

#### MINUTES

Chairman Downie asked for additions or corrections to the minutes of the February 16, 2010 meeting. Hearing none, the minutes stood approved.

#### JANUARY MINUTES

Solicitor Garner requested a clarification be made to the January minutes regarding the reference to the bulk rate for North Coventry. He advised that the action

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taken by the Authority was to amend the rate for bulk water purchase from the Water Treatment Plant, which had been \$3 per 1,000 gallons, to \$3.56 per \$1,000 gallons. Through this action the rate at the bulk fill station at the Water Treatment Plant would be consistent with the North Coventry rate.

Mr. Read moved to accept the corrected language regarding the North Coventry bulk rate from the January minutes. Mr. Ecker seconded the motion and it passed unanimously.

#### MAY STREET CLOSEOUT

Solicitor Garner advised that all outstanding matters have been resolved and recommended to accept dedication of the water transmission facilities and sewer collection lines in connection with the May Street/Genesis Housing project.

Mr. Read moved to authorize the execution of the Deed of Dedication and waive the requirement of a Maintenance Agreement for the May Street Crossing Development. Mr. Ecker seconded the motion and it passed unanimously.

Mr. Weld referred to outstanding developments review in the Engineer report with security and cash escrow available.

#### DOUGLASS VILLAGE WATER SYSTEM

Solicitor Garner reviewed the analysis of the Douglass Village Water system and advised that there was no benefit to the Authority in overtaking the responsibility of the internal water distribution system and recommended the Authority not act on Mr. Conti's offer.

It was the consensus of the Board to authorize the Solicitor to correspond with Mr. Conti advising him of the Authority's decision to not accept his offer of overtaking the Douglass Village waster system.

#### CORNERSTONE REALTY

Mr. Bobst agreed to correspond with Cornerstone Realty providing the recommendation of the Finance Committee verifying the decision to not grant relief for a water leak as requested.

#### NEW BUSINESS

#### LAWN MAINTENANCE

Mr. Carroll moved to accept the recommendations of Staff to award the Lawn Maintenance bids to the lowest responsible bidders as listed on the bid tabulation of March 2, 2010. Mr. Read seconded the motion.

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Solicitor Garner explained that although a letter was received from a bidder requesting to withdraw its bid, the procedure is that the Board is obligated to award each item separately to the lowest responsible bidder.

The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 8:35 p.m. on motion by Mr. Ecker.

Submitted by

Virginia Takach, Borough Secretary  
for Don Read, Secretary