

March 15, 2022

POTTSTOWN BOROUGH AUTHORITY

CALL TO ORDER

Chairman Chomnuk called the meeting to order at 7:00 p.m. Mr. Chomnuk announced the death of former Authority member, Douglas Dilliplane, who passed away February 22, 2022. He was an Authority Board member for approximately 11 years and served the Board well.

ATTENDANCE

Present were Mike Benner, Jeff Chomnuk, Tom Carroll, 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.

PUBLIC COMMENT

None.

APPROVAL OF MINUTES

Mr. Benner moved to approve the January 18, 2022 minutes as presented. Mr. Carroll seconded the motion and it passed unanimously.

COMMITTEE REPORTS

Authority -Townships Meeting

Mr. Carroll noted that the only item for discussion is the I & I matrix, which is listed on this agenda.

AUTHORITY MANAGER'S REPORT

Manager Keller reported that the Sustainable Energy Plant and the Chipotle Land Development plans received final approval in January. He added that a Panera and a Papa Johns are also being planned for that area.

Mr. Keller also advised that a meeting was held on this date with PA America regarding Upper Pottsgrove Township's purchase of its system. The meeting was successful and provided essential information to PA America regarding the entire system. PA America is also interested in West Pottsgrove Township and water interconnections near Sanatoga and near the Amity line.

Mr. Keller provided an update on the grants for piping and stormwater inlets to address sump pumps and other issues. A \$200,000 grant was received and applying for another \$200,000 for these problems, i.e., the areas of Grace Nightingale, Charlotte, Warren and Wilson Streets.

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Mr. Keller also noted that there is no closing date for the PA America purchase with Upper Pottsgrove Township, due to certain outstanding issues.

Solicitor Pompo commented that any take over by PA America for the surrounding townships, may result in a PUC matter.

There was a brief discussion on the value of the current system, with Mr. Keller commenting that he advised Aqua that it is approximately \$500 million.

SOLICITOR REPORT

Solicitor Pompo referred to the report distributed and reviewed legislative updates. He also added the Upper Pottsgrove Township matter has been resolved and the settlement has been approved. Attorney Pompo noted that in order to resolve the pipe issue, Upper Pottsgrove Township has filed a condemnation action and waiting for confirmation to convey title to PA American. He also advised that townships have the legal authority to condemn a sewer consumer.

ENGINEER'S REPORT

Engineer Cory Salmon provided a written report and reviewed legislative updates. He advised that the UV delivery date is now April 25th. He also noted that the 2021 Water and Sewer Main Replacement project with contractor Joao & Bradley will be finishing this week. Mr. Salmon reviewed the Industrial Highway Meter, noting that Lower Pottsgrove Township has inquired about the ability to remove the meter. He added that under the Chapter 94 report, the Township is required to maintain and calibrate the meter once per year, which has not been done since 2017 and could be the cause of the low flow records. Mr. Salmon recommended not moving the meter until the meter is maintained properly.

Mr. Keller added that several years ago, the townships were all offered to move to the Hach system and Lower Pottsgrove declined.

Mr. Carroll agreed to reiterate this recommendation at the next Township meeting.

UTILITIES DIRECTOR'S REPORT

Mr. Wagner reported that Wastewater Plant is working on a capital plan and will present to the Capital Committee in the next few months. He added that there was a major power outage on this date. Mr. Wagner reported that he hired the same contractor, Carr & Duff, as PECO was using to get the matter resolved smoothly. Mr. Wagner added that he is working with the Manager to update the Pre-Treatment ordinance with Borough Council, along with the NPDES permit updates.

Mr. Wagner also noted that Staff continues to work on the Airscour project and a building enclosure through Costars, with a saving of \$40,000 for the \$300,000 project. He also advised that he continues to separate the maintenance staff for COVID precautions.

PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger reported that Staff continues to work on manhole repairs and anticipating High Street paving, Keim Street to the Lower Pottsgrove Township line. He added that he has been working with the Fire Company to repair the service line since 2004. Mr. Yerger also advised that the Water

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Department is working on lines at Belmont and Manatawny Streets, where it was necessary to move the stormwater pipe to get to the water pipe.

Mr. Yerger confirmed that PennDOT will be paving from Keim Street to the Lower Pottsgrove and through Limerick and Trappe and the PECO, between Charlotte and Keim Streets, is expected to start on April 30. He added that the responsibility of repairing manholes and riser rings is the Borough's.

Mr. Yerger added that painting of the Jackson Street tank is scheduled for 2023 and the Willow street tank 2024 as of now.

Mr. Keller advised that the King Street Bridge is scheduled to open April 15th.

FINANCE REPORT

Mr. Keszczuk reported that the water revenues are at 17% received and expenses at 15%. The sewer revenues are at 19% and expenses at 8% year to date. He added that the bulk revenue is under budget by \$20,000 year-to-date. The sludge disposal expense is under budget by \$77,000, both positive numbers. Mr. Keszczuk also advised that the 2021 Audit began on February 21st. He also reported that the funds from the bond maturity were received in February in the amount of \$2.1 million and in the sewer capital account.

POTTSTOWN/AQUA PERMANENT BULK WATER INTERCONNECTION

Mr. Keller reviewed the proposed agreement with a 10-year term and 5-year renewals for 300,000 gallons of water per day, with no cost outlay from the Authority. He praised Solicitor Pompo for his efforts in finalizing the agreement.

Solicitor Pompo noted that Aqua wanted a flat rate to stay in place until the renewal period. He countered with holding the existing rate for two years and then pay prevailing rate, which would also be the time to evaluate rates. He added that Aqua is going to install and pay for the equipment in the pump station building for this permanent diversion and essentially dedicate it over to the Authority, at which time the Authority would be responsible. Attorney Pompo also noted that certain building plans are under review by HRG.

Mr. Carroll moved to approve the Bulk Water Purchase Agreement with Aqua Pennsylvania, Inc. and authorize its signature, subject to the review and approval of the Pump Station Improvement Plan in Schedule 3.4 including the Sampling Tap location by the Authority Manager Engineer and Solicitor. Mr. Benner seconded the motion and it passed unanimously.

2021 WATER AND SEWER REPLACEMENT PROJECT – CHANGE ORDER

Mr. Salmon explained the change order increase in the construction price of \$52,027.57 for costs associated with the additional materials (\$4,714.32), additional pipe size and fittings (\$5,146.25), additional fire hydrant (\$3,300) and for final adjustment of quantities installed (\$38,867.) He added with the increased change order, including the reduction of \$147,185 for Sanatoga Road, the final project cost is \$1,097,917.57 from the original cost of \$1,193,075.

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Mr. Renn moved to accept the Change Order for the 2021 Water and Sewer Replacement Project for an increase amount of \$52,027.57 for a total project cost of \$1,097,917.57. Mr. Benner seconded the motion and it passed unanimously.

UV SYSTEM CHANGE ORDER

Mr. Cory explained the increase of \$10,530 by the site conditions of the manufacturer for the replacement of a different UVT cleaning unit than originally provided, which was realized after it went to the site and reviewed from the information provided. The project remains under budget.

Motion by Mr. Benner to approve the Change Order for the UV System project for an increased amount of \$10,530. Mr. Renn seconded the motion and it passed unanimously.

PENNVEST FUNDING OFFER EXTENSION REQUEST

Mr. Salmon explained the request for a 180-day extension of the PENNVEST Funding Settlement associated with the 2021 Lead Service Replacement Project.

Mr. Keller added that HRG will be seeking addition funding to take away the loan requirement, possibly a grant to off-set the costs.

I & I RECOMMENDATIONS

Mr. Carroll referred to the February 23, 2022 Matrix as recommended by the I & I Committee. He explained the four categories being Laterals, Floor Drains, Sump Pumps and Roof Down Spouts. Mr. Carroll also explained the outline of the Requirements, Enforcement, Inspection Status, the Recommendation/Options, the Ordinance section and the Ordinance Language for each category.

Mr. Keller added the laterals are being inspected this year and replaced where needed. A next step would be to hire a contractor or inspect at the time of sale.

There was brief discussions on each item, questioning the responsibility of the Authority.

Mr. Salmon confirmed that it is the homeowner's responsibility to maintain the lateral and Mr. Keller confirmed that I & I would be the responsibility of the Authority and the Borough to enforce so as not to allow rain water in system.

Chairman Chomnuk recommended that Mr. Keller, as the Authority Manager/Borough Manager, review with Borough Council.

Mr. Carroll moved to adopt the I & I Recommendation Matrix of February 23, 2022 as presented and as recommended by the I & I Committee, as a roadmap moving forward with I & I. Mr. Ecker seconded the motion and it passed unanimously.

(SEE EXHIBIT A)

Mr. Carroll requested that this be forwarded to Borough Council.

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NEW BUSINESS

CONTRIBUTION TO BOROUGH COUNCIL

Mr. Carroll advised that there has been previous discussions regarding the Authority assisting the Borough in certain situations, in this case stormwater being pumped into the streets. The amount discussed was \$40,000 to \$50,000.

Solicitor Pompo referred to Act 73, which limits how an Authority can spend its money, which would be projects for the Authority's authorized purposes.

Mr. Keller noted that the projects would include sump pumps and roof down spouts, which would be associated with Authority projects.

Solicitor Pompo added that if the project is connected to a program to take water out of its sewer system and put in appropriate place, it would be part of the sewer project purposes and therefore the Articles would not need to be amended.

Mr. Carroll moved to allot \$50,000 from the Authority to the Borough, on an annual basis, to take care of inlets associated with the reworking of sump pumps. Mr. Ecker seconded the motion.

Mr. Yerger reviewed certain areas where it should not be a problem to install inlets, with an approximate cost of \$200,000.

Mr. Keszczyk confirmed that the funds are available on the sewer side. He also requested that HRG provided a cost estimate for moving forward with the next steps and providing data for the temporary meters.

The motion passed unanimously.

Chairman Chomnuk thanked the Committee for its efforts and for providing the Matrix. He requested that updates can be provided through the Capital Committee and confirmed that it is not necessary for the I & I Committee to continue meeting.

DEP CONSENT ORDER AND AGREEMENT

Solicitor Pompo explained the need for clarity on this agreement, namely, the date the order is done. As of now the end date is December 7, 2022 or when the Authority receives the permit, whichever is later. The second item is to add language that there has been no assessment to the stipulated penalties.

Mr. Renn moved to authorize execution of the First Amendment to the Consent Order and Agreement between DEP and the Authority under the Safe Drinking Water Act of West Pottsgrove Township. Mr. Carroll seconded the motion and it passed unanimously.

BID AWARD – ALUM SLUDGE

Mr. Wagner reviewed the bid tabulations of February 24, 2022, for the removal of sludge from the basins. which are bid out every five years The recommendation is to award the Sludge Removal,

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Transportation to the Pottstown WWTP to Synagro and the award for the Removal, Transportation and Disposal to Land Application to ACV Environmental Services.

Mr. Benner moved to award the WWTP Alum Sludge Removal, Transportation and Disposal to the Pottstown Wastewater Treatment Plant to Synagro Central, LLC, Baltimore, MD as per the bid tabulation of February 24, 2022 for a timeframe of April 1, 2022 to March 31, 2027, subject to review and approval of the Solicitor. Mr. Renn seconded the motion and it passed unanimously.

Mr. Benner moved to award the WWTP Alum Sludge Removal, Transportation and Disposal to Land Application to ACV Environmental Services, Inc., Aston, PA as per the bid tabulation of February 24, 2022 for a timeframe of April 1, 2022 to March 31, 2027, subject to review and approval of the Solicitor. Mr. Renn seconded the motion and it passed unanimously.

REPLACE OF WATER METERS

Mr. Renn provided a matrix regarding the replacement of water meters and compared the statistics from 2012 to 2021 comparing water produced to water billed over a 10-year period. He noted that in 2021, 391 million gallons of water were lost or unaccounted for, which equates to \$1.829 million and \$1.604 million in lost revenue. Mr. Renn suggested moving the water meter replacement project further on the Capital Plan.

Mr. Ecker questioned the figures and stated that out of the 11,000 meters tested, they were 94% efficient and reiterated his recommendation to start with addressing commercial meters.

After a brief discussion, Chairman Chomnuk directed this matter to the Capital Committee.

ADJOURNMENT

The meeting adjourned at 8:45 p.m. on motion by Mr. Benner.

Submitted by,

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

EXHIBIT A

| Pottstown Borough Authority I&I Recommendations Matrix February 23, 2022 | | | | | | |
|--|--|---|---|--|----------------------------|--|
| Category | Requirement | Enforcement | Inspection Status | Recommendation/ Options | Ordinance Section | Ordinance Language |
| Laterals | It is the property owner's responsibility to maintain, repair and/or replace building sanitary drainage systems if the Borough determines that they do not meet the requirements of the Borough Code | It is enforced in event of overflow, or through individual projects as approved by the Authority (replacement to curb only) | Inspections are conducted reactively for backups and complaints. They are done proactively through Authority projects (no proactive inspection program currently) | Develop an additional proactive inspection program on rolling basis | Chapter 10, Part 2, §202.4 | "It shall be the owner's responsibility to maintain, repair, and/or replace building sanitary drainage systems if the Borough determines that they do not meet the requirements of this Chapter." |
| Floor Drains | New floor drains are allowable on a case-by-case basis | It is enforced on a case-by-case basis, typically as a result of backups | Floor drains are inspected during new building occupancy and building inspections. Existing building property transfer or rental inspections only inventory the presence of floor drain, but they do not require floor drains to be plugged or abandoned unless there is evidence of an overflow or it is not functioning as originally designed. | leave as is | Chapter 10, Part 2, §202.9 | "No person shall make connection of sump pumps, roof down spouts, foundation drains, away drains, floor drains or other sources of surface run-off or groundwater to a building sanitary drainage system or building drain which in turn is connected, directly or indirectly, to a Borough sanitary sewer main, unless such connection is approved in writing by the Borough for the purpose of disposal or polluted surface drainage or for the prevention of potentially hazardous conditions." |
| Sump Pumps | No sump pump connections to the sanitary sewer system are permitted unless there are hazardous conditions (i.e. storm drainage issues) | It is currently enforced. | Sump Pumps are inspected at rental and property transfer inspections as well as individual projects that approved by the Authority. | Establish special permit for hazardous conditions where storm water discharge is not feasible. Evaluate other alternatives such as civil penalties and/or follow up inspections | Chapter 10, Part 2, §202.9 | "No person shall make connection of sump pumps, roof down spouts, foundation drains, away drains, floor drains or other sources of surface run-off or groundwater to a building sanitary drainage system or building drain which in turn is connected, directly or indirectly, to a Borough sanitary sewer main, unless such connection is approved in writing by the Borough for the purpose of disposal or polluted surface drainage or for the prevention of potentially hazardous conditions." |
| Roof Down Spouts/ Foundation/ Away Drains | No connections are permitted unless there are hazardous conditions (i.e. storm drainage issues) | It is enforced only if it can be visually observed above ground | Visual inspections are conducted of property transfer and rental inspections | Have I&I indicate if the connection or outfall is unknown during inspections Engage third party for dye test to verify if it is connected to the sanitary sewer system Establish special permit for hazardous conditions | Chapter 10, Part 2, §202.9 | "No person shall make connection of sump pumps, roof down spouts, foundation drains, away drains, floor drains or other sources of surface run-off or groundwater to a building sanitary drainage system or building drain which in turn is connected, directly or indirectly, to a Borough sanitary sewer main, unless such connection is approved in writing by the Borough for the purpose of disposal or polluted surface drainage or for the prevention of potentially hazardous conditions." |