

September 26, 2022

**POTTSTOWN BOROUGH AUTHORITY
SPECIAL VIRTUAL MEETING**

CALL TO ORDER

Chairman Chomnuk called the meeting to order at 5:43 p.m.

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, Assistant Public Works Director David Haygood, Bookkeeper Gerry Keszczyk, Utilities Director Brent Wagner and Debi Roesner, Manager West Pottsgrove

PUBLIC COMMENT

None.

NEW BUSINESS

None.

OLD BUSINESS

a. PENNVEST - REDUCED LOAN

Manager Keller explained this matter is time-sensitive and must be awarded by the end of the year if accepted. He reminded all the original offer was rejected due to the size of the offer and to take 40% of the offer in the form of a loan. After working with HRG research certain lead line replacement mandates, staff was successful in the funding through ARPA funds and award over \$2 million for the project with no loan and no match. He added that by the end of December 31, 2024 all lead services in the borough surveyed and identified by mandate. There may be other mandates forthcoming as well.

Manager Keller also explained the process indicated by elected officials that with future mandates, there will be no more grants only loans offered. Mr. Keller recommended that the Board approve a smaller portion of the PENNVEST money as a loan and then able to get the grant, using a 5-year loan to coincide with the removal of all debt services of the water fund in 2027. Payments would be approximately \$104,000 per year and total interest is \$20,000 and could possibly be paid off earlier. This would also allow for planned roadway paving for sewer or borough paving projects.

Mr. Salmon added that the loan would not start until after construction is completed, possibly some time next year and could still take on 20-year loan and possibly pay off early. He added that he would verify with PENNVEST when money would be distributed. Mr. Salmon also explained upcoming mandates, including the inventory and is awaiting direction.

Mr. Carroll questioned if additional money should be requested at this time in order to prepare for upcoming mandates.

Mr. Keszczyk reminded all that as of the end of 2023, \$1.3 million in debt service drops off. This loan

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would get the program started through next year and should not need financing.

Mr. Ecker commented that he realizes the Authority does not want any debt and is assured that the lead line services will be done by the end of 2024. He added that half the town is already done.

Mr. Keller added the borrowing increases proportionally to the grant amount. The original application to PENNVEST was \$4 million and is hesitant to borrow more than needed.

PENNVEST - Motion by Mr. Ecker, seconded by Mr. Carroll to accept the PENNVEST offer for an reduced funding amount of approximately \$1,204,780.00 to reduce the Loan offer to \$500,000.00 and the Grant amount to approximately \$704,780.00. Motion carried: 5 ayes.

b. ADVERTISE PENNVEST PROJECT

Mr. Salmon requested authorization to proceed with the project with the goal to advertise within 2 weeks and award by end of the year as per the PENNVEST guidelines. The settlement deadline is January 19th but time is needed to review bids and document with the first scope being identification and replacement. Mr. Salmon noted that the identification process is done through the use of digging minor holes in the area of the curb stop.

ADVERTISEMENT – Motion by Mr. Carroll, seconded by Mr. Ecker to authorize HRG to advertise the PENNVEST Lead Service Replacement Project for public bidding. Motion carried: 5 ayes.

c. CONTRACT WPT – 21-2 – CHANGE ORDER

Mr. Salmon requested that the Changer Order for Contact WPT-21-2, UV Installation Project by retroactively approved for the replacement of PVC conduits with new aluminum conduits. The cost of the Change Order is approximately \$20,587 bring the total cost of completion is \$955,000, below the \$1.2 million budget.

CHANGE ORDER – Motion by Mr. Ecker, seconded by Mr. Renn to approve a Change Order No. 2 for Contract WTP-21-1 (Electrical Construction) of the UV Installation Project. Motion carried: 5 ayes.

ADJOURNMENT

The meeting adjourned at 6:10 p.m. on motion by Mr. Renn.

Submitted by,

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