

December 20, 2022

## **POTTSTOWN BOROUGH AUTHORITY**

### CALL TO ORDER

Chairman Chomnuk called the meeting to order at 7:00 p.m.

### ATTENDANCE

Present were Mike Benner, David Renn, Jeff Chomnuk, Tom Carroll and Aram Ecker. 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.

### COMMENT

Chairman Chomnuk, on behalf of the Board, thanked Mr. Carroll for his fifteen years of service on the Authority Board, as this is his last meeting. The Board appreciated his input and participation. Mr. Carroll chose not to be reappointed.

### APPROVAL OF MINUTES

Mr. Benner moved to approve the minutes of October 18, 2022 meeting as presented. Mr. Renn seconded the motion and it passed unanimously.

### COMMITTEE REPORTS

#### Authority -Townships Meeting

Mr. Carroll had nothing specific to report. Items of discussion are listed on the agenda.

### AUTHORITY MANAGER'S REPORT

Manager Keller advised that Council passed the \$58 million budget, which also included two additional police officers and several fire department administrative positions. He also updated the Board on the new ReadyMontco Emergency notification system, which begins on January 1, 2023, noting that landline phones are automatically transferred to the new system. Mr. Keller also advised that 2023 is the final year of the AFSCME contract and will be discussing with Directors in the near future.

### SOLICITOR'S REPORT

Solicitor Pompo advised that the Legislative session for 2021-2022 has ended without any new legislation becoming law that would effect the Authority. He added that other items in the report will be discussed on this agenda,

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### ENGINEER'S REPORT

Cory Salmon also referred to the report submitted and advised that all items will be reviewed on this agenda.

### UTILITIES DIRECTOR'S REPORT

Mr. Wagner advised that the final inspection for the UV system occurred on this date and was quite successful and will receive a temporary operating permit before the end of the year. He is also scheduling a meeting with EPA for any outstanding issues. Mr. Wagner also noted that the Water Treatment plant is now fully staffed. He also advised that the air scour blowers are in the poll barn and the system will be running by next month.

Mr. Wagner reported that the hopper system was down in October and repairs are being done by Staff. He is still working on getting finer sludge on the belt and is in the process of installing a new screw pump panel. He added that he has little correspondence or response from Gryphon. Mr. Wagner explained the process of the air scour system, noting that particles hitting one another are diffused by putting an air diffuser system into the media itself.

Chairman Chomnuk commended Mr. Wagner and his Staff for their continued and successful efforts at the plants.

### PUBLIC WORKS DIRECTOR'S REPORT

Mr. Yerger reported that there were approximately 28 leaks detected, half in the mains, service lines and fire plugs and are being addressed. Staff is also working on out of service hydrants, adding that the identified leaks represent a quarter million gallons per day. Mr. Yerger also noted that the sewer crew is finishing up last quarter cleaning and assisting where needed.

Mr. Yerger provided an outline of the Water Meter Replacement Program, which has been included in the budget and handed out a meter for inspection. He advised that most of the existing meters are 27 years old and wearing out. He noted that the advantage of the new meters is fewer service calls, tamper resistance, no moving parts to wear out and will not freeze. He added that the new meters include a software program for customer tracking and the battery life and warranty is 20 years. Mr. Yerger provided the cost of the individually sized meters for a total cost of \$490,293.48 for the 560 meters, with the initial goal to replace the 200 5/8" meters. If ordered now, the meters would be expected by April and advised that he has 40 meters in stock.

Mr. Keller advised that this project is in the 10-year capital plan, which may require a contractor sometime in the future.

Mr. Ecker commented that even if guaranteed, he believed parts of the new meters would freeze.

It was the consensus of the Board to authorize the Manager to sign the purchase order for the Meter Project.

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## FINANCE REPORT

Mr. Keszczyk referred to the reports distributed and advised that the water revenues are at 89% and expenses at 77% and the sewer revenues are at 103% and expenses at 67%. The bulk revenues are over budget by \$306,000 for the year and sludge hauling expenses went over budget by \$20,000 due to the centrifuge going down in October. He added that other expenses are in line

## OLD BUSINESS

### Aqua Completion

Solicitor Pompo reviewed the original agreement for the Aqua Bulk Water Agreement with Aqua completing the retrofits by December 19, 2022 and believes all is in order and recommended the First Amendment of the Agreement be approved to include the final as-built drawings.

Mr. Carroll moved to approve the First Amendment to Bulk Water Purchase Agreement between the Pottstown Borough Authority and Aqua Pennsylvania, Inc. Mr. Renn seconded the motion and it passed unanimously.

## NEW BUSINESS

### PA American Water Shut Off Services

Solicitor Pompo referred to the draft agreement regarding a regulatory obligation through the PUC as it relates to the Pennsylvania American Water Company and the Upper Pottsgrove wastewater service area for delinquent wastewater users.

Mr. Benner moved to approve the Agreement with Pennsylvania American Water Company for Water Shut Off Services through Pottstown Borough Authority. Mr. Carroll seconded the motion.

There was a brief discussion among the members regarding the \$30 cost for shut offs being done by Borough employees.

Solicitor Pompo commented that the agreement includes a statement that fees can be amended from time to time.

Evan Brandt, *The Mercury*, noted that he confirmed on this date that the PUC raised the PA American's rates. They raised less than the company wanted for water, but more than they asked for for sewer. He added that this applies to Upper Pottsgrove as their rate freeze has expired.

Mr. Renn moved to amend the motion to change the \$30 shut off cost to \$50 in the Agreement with Pennsylvania American Water Company for Water Shut Off Services through Pottstown Borough Authority and to authorize the Solicitor to present the amended agreement to PA American. Mr. Carroll seconded the motion and it passed unanimously.

### Credit Enhancement Agreement

Mr. Keller referred to the First Amendment to the Credit Enhancement Agreement proposed to increase the cost of haulers impacting certain roadways to be used to upkeep the roads and bridges in

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the amount of \$125,00 for the calendar year 2023.

Mr. Benner moved to approve the First Amendment to the Credit Enhancement Agreement between the Borough of Pottstown and Pottstown Borough Authority. Mr. Carroll seconded the motion and it passed unanimously.

#### Roadway Maintenance Agreement

Mr. Keller discussed the proposed five-year agreement for the bulk haulers to contribute to the impacted roadways in hauling septage and sludge waste by truck to the Sewer Plant.

Mr. Carroll questioned the area of Wilson Street as it runs from High Street to Keim Street and again from Jackson to State Street.

Mr. Keller requested that HRG provide an updated map for this agreement, in addition to the \$.0018 or 18 cents per gallon.

Mr. Carroll moved to approve the Roadway Maintenance and Improvement Contribution Agreement between the Borough of Pottstown and the Pottstown Borough Authority. Mr. Renn seconded the motion and it passed unanimously.

#### PennVEST Loan

Solicitor Pompo referred to the items related to the PennVEST loan, noted that all documents need to be uploaded to PennVEST by January 6, 2023 with settlement scheduled for January 26, 2023.

- a. Engagement Letter/Legal – Mr. Renn moved to approve Lamb McErlane PC letter of representation for PennVEST grant/loan legal services in an amount not to exceed \$20,000. Mr. Carroll seconded the motion and it passed unanimously.
- b. Engagement Engineering Services – Mr. Carroll moved to approve the services of HRG for bidding, construction and administration. Mr. Benner seconded the motion and it passed unanimously.
- c. PennVEST Reimbursement Resolution – Mr. Benner moved to approve the Reimbursement Resolution consisting of a loan in the maximum principal of \$500,00 and a principal forgiveness loan in the amount of \$785,000 totaling funding of \$1.285 million. Mr. Renn seconded the motion.

#### RESOLUTION NO. 1 – 2022

#### DECLARATION OF OFFICIAL INTENT TO REIMBURSE WATER REVENUE FUNDS USED TO CONSTRUCT IMPROVEMENTS TO ITS DRINKING WATER SYSTEM WITH FUNDS RECEIVED FROM THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY

WHEREAS, Pottstown Borough Authority ("Funding Recipient") has determined that construction of improvements to the drinking water system located in Pottstown Borough, Montgomery County, Pennsylvania (the "Project"), are necessary; and

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WHEREAS, in order to finance the costs of the Project, the Funding Recipient has issued or intends to issue its Debt Obligation to the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) consisting of a loan in the maximum principal amount of \$500,000.00 and a principal forgiveness loan in the amount of \$785,000.00 totaling \$1,285,000.00 (the “PENNVEST Funding Agreement”). WHEREAS, Funding Recipient intends to pay Project costs, on an interim basis, using its Water Revenue Funds until the proceeds of the PENNVEST Funding Agreement are received; NOW, THEREFORE, the Funding Recipient hereby declares as follows: Pursuant to federal requirements set forth at 26 C.F.R. § 1.150-2, the Funding Recipient officially intends to reimburse its Water Revenue Funds for Project costs incurred by the Funding Recipient with the proceeds of the PENNVEST Funding Agreement up to the maximum principal amount of \$1,285,000.00.

The motion passed unanimously.

- d. PennVEST Resolution to Borrow – Mr. Benner moved to approve the Resolution to Borrow authorizing from PennVEST and borrowing repayment will be secured by a lien on water records. Mr. Renn seconded the motion.

#### RESOLUTION NO. 2 -2022

AUTHORIZING THE SECURING OF FUNDING FROM THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY ("PENNVEST") IN THE MAXIMUM PRINCIPAL AMOUNT OF \$500,000.00 AND THE ACCEPTANCE OF A PRINCIPAL FORGIVENESS LOAN FROM THE AUTHORITY IN THE MAXIMUM PRINCIPAL AMOUNT OF \$785,000.00 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE COST OF THE IMPROVEMENT OF THE DRINKING WATER SYSTEM OF THE FUNDING RECIPIENT, TO PAY COSTS AND EXPENSES OF SECURING SUCH FUNDING; AUTHORIZING THE EXECUTION AND DELIVERY OF A PLEDGE OF A LIEN ON THE WATER REVENUES; APPROVING THE FORM, TERMS AND CONDITIONS OF THE FUNDING DOCUMENTS; AUTHORIZING THE EXECUTION OF THE FUNDING DOCUMENTS AND PROVIDING FOR THE AUTHENTICATION AND DELIVERY THEREOF; AND AUTHORIZING THE DISPOSITION OF THE FUNDING PROCEEDS RECEIVED OR TO BE RECEIVED FROM PENNVEST.

The motion passed unanimously.

- e. Bid Award – Mr. Carroll moved to approve the notice of intent to award the responsible low bidder, Joao & Bradley for Contract LR-1 – Lead Service Replacement Project, Phase I, in the amount of \$964,000. Mr. Benner seconded the motion and it passed unanimously

PA Small Water and Sewer Program – Mr. Benner moved to approve and execute the additional required documents for the PA Small Water and Sewer Program grant application including the matching fund commitment letter, worker protection form and FFATA form for the improvements to the Lower Pump House. Mr. Renn seconded the motion and it passed unanimously.

PA Small Water and Sewer /Commonwealth Financing – Mr. Carroll moved to approve and execute a Resolution to request a PA Small Water and Sewer Program grant of \$424,943 from the Commonwealth Financing Authority for the installation of standby generator for the Lower Pump

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House Generator Project. Mr. Renn seconded the motion.

### RESOLUTION NO. 3 -2022

Be it RESOLVED, that the Pottstown Borough Authority of Montgomery County hereby requests a COVID-19 ARPA PA Small Water and Sewer Program grant of \$424,943 from the Commonwealth Financing Authority to be used for the installation of a standby generator for the LPH Generator Project.

Be it FURTHER RESOLVED, that the Applicant does hereby designate Jeff Chomnuk, Chairman and David Renn, Secretary as the official(s) to execute all documents and agreements between the Pottstown Borough Authority and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, David Renn, duly qualified Secretary of the Pottstown Borough Authority, Montgomery County, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the Pottstown Borough Authority Board at a regular meeting held December 20, 2022 and said Resolution has been recorded in the Minutes of the Pottstown Borough Authority and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the Pottstown Borough Authority, this 20<sup>th</sup> day of December 2022.

The motion passed unanimously.

UV Installation project – Mr. Carroll moved to approve the application for Payment No. 4 in the amount of \$16,473.79 for Contract WTP-21-2 (A.N. Lynch) for work completed at the Water Treatment Plant for the U.V. Installation project. Mr. Benner seconded the motion and it passed unanimously.

Utility Relocation – Mr. Benner moved to approve and execute the updated Utility Relocation Reimbursement Agreement prepared by PennDOT for the Sanatoga Road water main relocation work. Mr. Renn seconded the motion.

Mr. Salmon explained that PennDOT will now be incorporating the work to provide 75% of all fees for engineering and inspection of project and the Authority would be responsible for 25% of construction of the water main. The estimated fee is to be \$23,700 for engineering and \$17,775 covered by PennDOT and estimated fee for construction if \$108,000 with the authority responsible for \$27,000.

The motion passed unanimously.

### 2023 Meeting Schedule

Mr. Benner moved to approve the 2023 Meeting Schedule as presented. Mr. Renn seconded the motion and it passed unanimously.

### Board Reorganization for 2023

Solicitor Pompo urged the Board to address the position for 2023 as the Chairman and Secretary need to be in place for the PennVEST documents for January.

Mr. Renn moved to retain HRG as the Authority Engineer, Vincent Pompo as Solicitor, Justin Keller

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as Manager and Gerry Keszczyk as Bookkeeper. Mr. Benner seconded the motion and it passed unanimously.

Mr. Carroll moved to appoint Jeff Chomnuk as Chairman and David Renn as Secretary for 2023. Mr. Benner seconded the motion and it passed unanimously.

Mr. Carroll thanked the Board for his time on the Board.

ADJOURNMENT

The meeting adjourned at 8:30 p.m. on motion by Mr. Renn.

Submitted by,

Virginia L. Takach, Borough Secretary  
for David Renn, Secretary