

**Minutes – Board of Commissioners
Upper Pottsgrove Township**

April 6, 2020

The meeting of the Upper Pottsgrove Township Board of Commissioners was held via webcast utilizing Zoom software through the internet at 7:00 pm on Monday April 6, 2020 with Commissioners Trace Slinkerd, Renee Spaide, Martin Schreiber, Cathy Paretti and Dave Waldt present. Also present were Township Manager Michelle Reddick, Solicitor Charles D. Garner, Jr., Police Chief James Fisher and Township Secretary Jeannie DiSante. Other participants of the meeting include Township Sewer Committee Chair John Bealer, Township Engineer Chris Pelka, Special Councils Marc Feller and Liz Havey, PFM's Ben Kapenstein and Scott Shearer, PA American Water's Sr. Director Business Development Bernie Grundusky and Sr. Manager Business Development Keith Gabage, Attorneys John Ward and Elizabeth Triscari, Senior Manager, Southeast Operations Jim Gable, Sr. Project Engineer Mike Guntrum and External Affairs Manager Maggie Sheely.

OPENING COMMENTS – T. Slinkerd welcome the Commissioners and participants along with the public who logged onto the live webcast. A guideline for the meeting was provided and he explained this is concerning the sewer system sale proposal with a question and answer session.

Benjamin Kapenstein, reviewed slides detailing the timeline of selling the Township owned sanitary sewage collection system. They explained the reasons for exploring the sale, PFM's limited scope valuation results, the process of releasing a request for qualifications (RFQ), confidentiality agreements, meetings & tours with bidders and the processing of the bids submitted to the Township. There were details presented on retiring the Township debts. Of the two qualified companies, PA American Water and Aqua that submitted bids, the bids were within 10% of each other and the Board asked for their best and final bid. PA American Water had the highest bid of \$13,750,000 which met the Township's expectations.

Bernie Grundusky, PA American Water reviewed the slide detailing background information on the company noting they serve approximately 2.4 million people in 36 counties; 19% of the population in PA. The company is headquartered in Mechanicsburg, PA and they have a local customer base serving Royersford, Glen Alsace and Exeter Townships. They are symbol AWK on the NYSE. He reviewed their investment in water/wastewater infrastructure and explained the regulatory oversights from PA DEP, EPA and PUC. He provided a slide detailing estimated monthly fees to residents under the new ownership beginning with a decrease from the current \$71.67 to \$65.00 and increasing starting in 2023 at just below \$70.00 with projected increases out to year 2028. He noted the fees shown in the slide are estimates as the actual fees are set by the PUC.

Other slides detailed the Township's Act 537 plan, three current Township projects planned that will be assumed by PA American Water and future connections for new homes. He noted the residents that are connected to the system through any of the three current projects will not pay the tapping fee. Existing homes not included in those projects and if required to connect to the system in the future will be assessed on a case by case basis and follow the rules in PA American Water's PUC approved tariff.

The public was invited to ask questions.

Jim Crawford, 1115 Autumnview La. – what fee increases will happen after 2028 and how often has PA American Water's rate adjustments been disapproved by the PUC?

- B. Grundusky – historically rates increase 3-4% per year and they have not had an increase disallowed in their 28 years in business.

**Minutes – Board of Commissioners
Upper Pottsgrove Township**

April 6, 2020

Al Leach, 1466 Sweet Water Way – what are the Township rate increases compared to other Townships? What is the total debt and the sewer debt?

- R. Spaide – in 2007 the rate went up 72% for Regal Oaks.
- E. Taylor – rates have been stable the last 10 years.
- T. Slinkerd outlined all the debt to be paid.

William Brogley, 2348 Ming Dr. – question on the expansion and is he included?

- M. Reddick explained the Township included funds in the 2020 budget for the Ming Drive/Moyer Road sewer project which we anticipate to be completed this year.

Don Clancy, 1296 Vale Cir. – Expressed concern that the 4-5% increase per year is not a good deal and suggested the Commissioners look at future costs to determine whether this is, in fact, a good deal.

Martin Schreiber – at the end of the Act 537 plan what will the existing homes do about their systems? Will rural owners pay for the connection lines?

- C. Pelka explained the Township has no intentions of expanding the communities already included within the Act 537 Plan.
- B. Grundusky – explained that if a community or area wanted public sewer, PAW would work with the Township and residents to determine if it's feasible. This would include a cost estimate of which PAW would pay \$15,000 per home for the extension, and the property owners involved in the project would pay the difference. He further explained that if the projects costs are \$15,000 or less per home, the owners would not pay a cost.

Cathy Paretti – Thanked all the residents and said she will help answer questions on social media.

Attorney Marc Feller – confirmed this is only for public sewer; PA American Water is for-profit however it is regulated and the PUC puts a cap on rates. Consumer advocates speak out against PUC rate increases. Proceeds from the sale of the sewer system can pay down non-sewer debt as well and eliminate debt service which can potentially lower taxes.

Robert Rowe, 1290 Whitespire Cir. – has the decision been made? He hears “when” not “if”. He mentioned a website about water: www.foodandwaterwatch.org.

William Brogley, 2348 Ming Drive – thanked the Commissioners for organizing this forum and asked where is this process going?

- T. Slinkerd – there will be additional meetings on 4-8, 4-14 and 4-16-2020 and a tentative vote on 4-20-2020.

Ed Alderfer, 2537 Bruce Dr. – asked for a time frame for getting public sewer to his house.

- He was told it would be in 2022.

Attorney Marc Feller – announced these types of meetings properly conducted, constitutes a public meeting and complies with the 1st Class Township Code to provide an “open meeting” to comply with the Sunshine Law under the current situation resulting from the COVID-19 virus Federal orders. Some legislation will be forthcoming. There has been no decision made on the sale of the sewer system to-date and will not be made until all the meetings are held and the Board of Commissioners receives feedback from the Township residents.

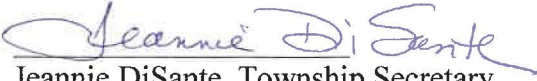
**Minutes – Board of Commissioners
Upper Pottsgrove Township**

April 6, 2020

Township Solicitor Charles Garner concurred with Attorney Feller.

ADJOURNMENT – T. Slinkerd reminded everyone of the next few upcoming Zoom meetings that will be posted in advance on the Township's social media page and website. The meeting was adjourned at 8:28 pm

Respectfully submitted,


Jeannie DiSante, Township Secretary