

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 Wednesday April 8, 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.

OPENING COMMENTS – T. Slinkerd welcome the Commissioners and Township staff along with the public who logged onto the live webcast. He explained the reason for the meeting is to present information on the sale of the Township's sanitary sewer collection system and the procedure for signing in with name and address then asking questions at the end of the presentation.

Benjamin Kapenstein, PFM Financial Advisors, LLC along with Scott Shearer presented and reviewed slides detailing the timeline of the Township's exploration 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. Of the two companies, PA American Water and Aqua that submitted bids, PA American Water had the highest bid of \$13,750,000.

Bernie Grundusky, PA American Water reviewed the slide detailing information on the company and their business model noting they serve approximately 2.4 million people in 36 counties; 19% of the population in PA. The company is headquartered in Mechanicsburg, PA. 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 slides detailing tapping fees, the current rate charged by the Township and historical sewer rate increases and the proposed lower rates PA American Water will charge as well as rates over the long term up to year 2028.

Other slides detailed the Township's Act 537 plan, current Township projects planned that will be assumed by PA American and future connections for new homes. Also estimated tax increases without the sale of the sewer system and the Township's reductions in municipal expenses.

The public was invited to ask questions.

Chuck Note, 2137 Horseshoe Dr. – is there confirmation of projects a, b & c being assumed by PA American Water?

- Yes, per asset purchase agreement, PA American Water will fulfill the projects of Regal Oaks Phase IIB, Horseshoe/Bruce Drives, and Continental/Old Orchard Drives projects should the sewer system sell to PAW.

Jenna Garrison, 2109 Horseshoe Dr. – she has an updated sewer system, does she have a choice to hookup, who are the contractors, does she have to find her own plumber?

- M. Reddick – per the Ordinance which will remain in place, if your home is with 150' of a project, yes you would be required to connect.
- B. Grundusky – owner pays to have the lateral to the house; can shop for prices
- C. Garner – confirmed all municipalities under an ordinance must comply

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

April 8, 2020

Robert Rowe, 1290 White Spire Circle – who does the Township benchmark against? PA American has 6 out of 10 highest fees in US. Warrington had a 4-year rate lower than this company.

- B. Kapenstein - they do not benchmark or compare to other municipal systems

Tom Zeigler, 279 Continental Dr. – after they take over in 1 year, how long until they start the projects and is there a plan for public water to be part of the process while the streets are opened?

- Project Engineer Michael Guntrum of PAW – need to update Act 357 plan to add new Ownership, and the three projects, then estimated completion in late 2022.
- B. Grundusky – would need to coordinate with the Township, Borough of Pottstown and Aqua to include public water service in the process.

John Ungerman, 1428 Meadowview Drive – if Open Space debt is eliminated will the added tax for the debt also be eliminated? What will be the sewer rate if the sale does not go through?

- T. Slinkerd – that will have to be discussed by the Open Space Committee.
- S. Shearer – there will be a modest increase, working to fine tune this.

Don Reed, 610 Mock Rd. – he has a working private septic and yet would welcome public sewer. How are you reaching out to other areas of the Township, and will you consider sewer extensions beyond the current projects under Act 537?

- 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.

Martin Schreiber, - Township supplied its rates and increases since 1978, can PA American supply their rates since 1978?

- B. Grundusky – he will provide for next meeting.

Stephanie Rowe, 1290 Whitespire Cir. – why the rush to vote on the 20th, can it be tabled?

- T. Slinkerd – explained more details coming on 14th & 16th.

Danielle Leach, 1466 Sweet Water Way – expressed concern why there is a rush to vote on the matter and ask for additional projects of future rates.

Candice Wiese, 1468 Meadowview Dr. – expressed concern that the vote on this matter is being rushed and suggested the Commissioners considering tabling the vote.

Doug Kern – 1286 Whitespire Cir. – are the bids available to the public, qualification documents? What can the property owners do to change the date of the vote?

- C. Garner – yes the bids and documents are open for view.
- M. Reddick – send in RTK request for the bids or documents
- T. Slinkerd – we are doing the process, Township has done its due diligence for the past year and some months.

Rebecca Note, 2137 Horseshow Dr. – Township's Act 537 plan, other components?

- M. Reddick – Township will remain in control of 537 plan.

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

April 8, 2020

Martin Schreiber – does Township have any plans to revise the 537 plan?

- C. Pelka – Township has to intentions to expand the communities already in the Act 537 Plan.

Don Reed, 610 Mock Rd. – Slide #2-e, referencing the elimination of the current system risks;

- the elimination of risk is a plus because of the cost to address future problems and repairs to the Township sewer lines as well as issues encountered in the Borough of Pottstown that can and do affect the Township lines.

Brett Hoffman, 1509 Meadowview Drive – did the Township have an evaluation completed to know that the bid is correct?

- B. Kapenstein mentioned this in review of slide of timeline on page 3 which explained that a valuation was completed in the beginning to determine a range in value for system.

John Bealer – outlined dollar benefits: approximately 731,000 income from tapping and connection fees; 500,000 - 2,500,000 – 2,000,000 are costs for future projects under Act 537 Plan.

Other call-in questions, no names:

- Who handles inspection of sewer lines? The Township.
- Ming Drive & Moyer Road project? This project is included in the 2020 budget and is anticipated to be completed this year.
- How long are the bids good for? This will need to be confirmed but it's either 60 or 90 days
- Why only two bidders? Ben explained the RFQ was sent out to a wide universe of potentially interested parties, but only two qualified and experienced companies were interested and responded to the RFQ.

There being no other questions at this time, Solicitor Garner explained as part of the process the Township needs to prepare an ordinance for advertising the sale of the sewer system. There was a motion by R. Spaide, seconded by D. Waldt to authorize the preparation and advertising of the ordinance. M. Schreiber asked if the advertisement for tonight's special meeting was specifically for sewer purposes and voting on advertising this ordinance is being sneaked in. M. Reddick confirmed the advertisement includes language 'and any other business that may come before the Board'. Solicitor Garner said this vote is absolutely related to what is being discussed. Votes on the motion are: T. Slinkerd, R. Spaide, C. Paretti, D. Waldt – aye. M. Schreiber – nay. Motion carried 4 – 1.

ADJOURNMENT – As there were no other comments from the Commissioners the meeting was adjourned at 8:55 pm

Respectfully submitted,


Jeannie DiSante, Township Secretary