

BOROUGH OF CONSHOHOCKEN AUTHORITY
August 24, 2021 MEETING
6:36 PM

The Stated Meeting of the Borough of Conshohocken Authority ("BCA") was held at the Authority's office and via remote means using the Cisco Web Ex platform on August 24, 2021. The meeting was called to order at 6:36 PM.

ROLL CALL:

Board members present were: Chair, Mrs. Janene Reilly; Vice-Chair, Ms. Carol Smith (via video); Secretary, Mr. Felix Raimondo; and Board Member, Mrs. Tina Sokolowski. Also present were Solicitor Mr. Mike Clarke from Rudolph Clarke, LLC: Interim Executive Director, Mr. Terry Fedorchak; Operations Manager, Mr. Ed Mongan; Finance Director, Mrs. Shannon Stewart, and Plant Engineer; Mr. Fred Ebert from Ebert Engineering, Inc.

Memorandum of Understanding and Municipal Agreement with the Borough

The memorandum of understanding and Municipal Agreement with the Borough was discussed with the Board Members. Mr. Raimondo asked who wrote the agreements? Mr. Fedorchak explained that Mrs. Gallagher and Mr. Clarke from Rudolph Clarke created the memorandum of understanding and the municipal services agreement about two weeks prior to the meeting, Mr. Fedorchak asked that some changes be made and with the changes made he sent them both to the board two Fridays prior to the board meeting and the Borough that following Monday and at this point these documents are both drafts. Neither governing body has agreed to anything yet. Mr. Raimondo asked that since these were drafts, if we take action on them does it bind us to them. Mrs. Reilly stated that she doesn't believe the can take action because we have to take to it further negotiations with Borough Council. Ms. Sokolowski stated that his was presented to the Borough Administration, Terry, Ed and Administration met to go over some of my comments and their comments, provided comments to Terry which are not in this original draft. The next step is that this board looks at what the Borough's feedback is and then figure out from there where we are going to come to an agreement. Mr. Raimondo discussed concerns about the process and that this was the first time the board has had a chance to talk about this. Mr. Raimondo is also concerned that this agreement was drafted and paid for, but the solicitor was not given board direction to draft the memorandum. Mrs. Reilly stated that she gave Rudolph Clarke authorization. Mr. Raimondo stated that it should have been the board to authorize this not just Mrs. Reilly. Mrs. Reilly stated that after about three months she had conversations about that and came to the understanding that this draft memorandum had to be created in order to move forward with the Borough. Mr. Raimondo expressed that he felt that Mr. Fedorchak was very capable of writing the memo rather than spending money to have the solicitor draft the memo without board direction. Mrs. Reilly expressed concerns about how to move forward without someone drafting the memo. Mr. Raimondo again stated that Mr. Fedorchak could write the memo and move forward and expressed that the board never met to talk about what was in the memo. Mrs. Sokolowski stated that the reason this was

in front of the board in an expeditious way is because we sent to meet with administration to make sure we could rescind the ordinance and in order to rescind the ordinance we need an agreement on specific things before that ordinance could be rescinded. Ms. Smith stated that the ordinance needed to rescinded in order to move forward on refinancing and that this started because we were trying to help the Borough. Mr. Raimondo stated agreed that the ordinance needed to be rescinded. Mr. Raimondo stated again that Mr. Fedorchak could have created the memo rather than the solicitors. Ms. Sokolowski and Mr. Raimondo agreed that this memorandum is a working document. Mr. Fedorchak stated that the borough is providing the Authority with a variety of municipal services as they do everybody within the borough, however the Authority does not pay taxes. Mr. Fedorchak discussed PILOT Programs (Payment in Lieu of Taxes) which are typically applied to nonprofits such as hospitals, universities that locate within the community. These entities don't pay property taxes and they enter into these agreements in lieu of paying taxes. It is our offer to pay the Borough about \$200,000 a year for fifty years. The borough has come back suggesting a shorter period of time, ten or fifteen years or maybe tying the number of years into our incorporation which goes to 2067. Mr. Raimondo stated that he doesn't follow the advantage that this agreement has for the Borough, Mr. Raimondo feels that this is nothing more than a pass-through tax that we are going to have to pass on to our rate payers. Mrs. Sokolowski explained that they heard from the residents that they want to keep the Sewer Authority so this payment could be an alternative to work collaboratively to bring down the cost of the infrastructure issues in the Borough of Conshohocken. Mrs. Sokolowski believes that this is the Authority's presentation of a good faith effort for us to divide and conquer what we need to do as a Borough for the community. Mrs. Reilly explained that originally this \$200,000 was coined as a rent, but if the Authority owns itself, the Authority cannot pay rent for something that we own. Additionally, we had some input that it would be better for the Authority to not term it as rent so this was how we came up with the PILOT Program idea. Ms. Smith expressed concerns that this payment is a backdoor tax funded by sewer rates to help the Borough and that we need to be transparent about what it is we are doing. Mr. Clarke explained that this payment would be in lieu of taxes for the municipal services that the Authority enjoys by being in the Borough and feels under the circumstances because of the wear and tear on the roads and some of their other infrastructure the Authority wants to contribute to that because we are a tax-exempt entity. Mr. Raimondo discussed possibilities of paving roads when sewer pipes are being replaced, we could repave the entire road. Mrs. Sokolowski asked for an understanding because she was under the impression that the entire board was on the same page. Terry explained that the \$200,000 payment has been discussed previously at a public meeting. Mr. Raimondo asked if anyone else in the Borough use a PILOT Program. Mrs. Sokolowski stated that the fellowship house, the A-Field and places like that are owned by the Borough except the library and she wasn't sure about the firehouses but she would find out. Mr. Raimondo discussed concerns about what this payment would be used for. Ms. Sokolowski stated that she believed that the borrow would use the money anywhere the Borough deemed necessary, could to roads, park and maybe public works, but no matter where it goes it will go back to the residents. The payment for 2021 would be prorated and payments for 2022 and forward would be done twice a year. Mr. Fedorchak also discussed that the Borough shall provide space at the

Borough building for the Authority to store and maintain a backup server for its electronic files. Mr. Fedorchak stated that the Authority may have to raise the sewer rates based on the Memorandum of Understanding. Mr. Fedorchak discussed the Authority taking over the Borough's Stormwater Management System at some point but before we are able to do that there is a process to go through. The first step would be to hire a consultant to identify the expenses the Authority would incur if the Authority took over the system. Then the consult would come up with a budget and present it to the Authority. The Authority would then have to levy a fee to cover the stormwater system going forward. Mr. Raimondo expressed concerns that stormwater is not part of our charter, Mr. Clarke will look into the Authority's charter. If the charter is written to just be a sewer authority the Borough will have to amend our charter. Ms. Sokolowski stated that the borough is looking at every corner to try and figure out our best way to utilize resources, the most cost efficient and effective way to meet the residents needs and if the sewer has the capacity, we would be looking at expanding it. Mr. Raimondo expressed concerns about the setting up separate silos or department for the stormwater because we will have to assess a tax/fee for the stormwater. Ms. Smith discussed concerns that the authority would need to hire another operator to cover the stormwater. Ms. Smith stated that it is very important to take care of the stormwater system as well as the sewer. Mr. Ebert discussed that many authorities are water and sewer. Mr. Fedorchak discussed that the process to obtain the Stormwater Management System would take at least a year but we will know more was the consultant is on board. Mrs. Sokolowski suggested going back to the borough with a proposal to share the cost of consultant for the study with the Borough or not paying the prorated fee for 2021. Mr. Raimondo asked Mr. Fedorchak for a project timeline on Stormwater Management System study and a cost estimate. Mr. Fedorchak discussed hiring Borough Employees to help with the stormwater. Mr. Fedorchak discussed the Community Garden and Salt Pile Property being conveyed to the Borough; this request came from the Borough not the Authority. Ms. Smith asked why this is being included in the agreement when it wasn't in the discussions before. Mr. Raimondo ask the same, since when the garden was created the borough didn't want it.

PUBLIC COMMENT:

Mrs. Nicole Zapata of 502 Ford Street, acting member and chairperson at the community garden expressed concerns about the Borough taking over the community garden and what will happen to the garden if the Borough takes over the land. Mrs. Zapata also ask that the Community Garden members be involved in any decision being made about the Community Garden. Mrs. Zapata expressed gratitude for the Authority allowing the garden to continue to run freely and all the donations over the years.

Ms. Smith stated that she is proud that the community garden is part of the Authority. The board will go back to the borough and ask why the community garden was included and see if it should still be included. Mr. Raimondo discussed that if this was discussed prior to the memorandum then the community garden would have never been on the list. Mr. Raimondo also stated that the Authority had no problem giving up the salt shed.

PUBLIC COMMENT:

Mrs. Julia Park of 442 E Hector Street also asked the Community Garden member be involved in any decisions being made about the Community Garden. Mrs. Park also expressed that keeping the garden the way it is would be in the best interest of the community.

Mr. Fedorchak discussed the request from the Borough to be involved in the decision when then the Authority decides to hire a new Executive Director. Mr. Raimondo expressed concerns about why this request and the request to not purchase any public sanitary sewer systems without first advising and consulting with the Borough were included in the agreement. Mrs. Reilly stated that they are not looking for a vote they just want to know who the Authority was looking and at why they which candidate they are choosing. Mr. Raimondo stated that there has been a council member on the Authority and each meeting we send meeting reports, so communication has been there, so he doesn't feel it sure be included in a memorandum of understanding. Mrs. Sokolowski stated they just want a voice to collaborate on the leadership, the board of directors are all appointed and have term limits, they just want to share their incite since it is a decision they have to work with. Mr. Fedorchak suggested that we go back to the Borough and ask them not to include the executive director request or the request for advising and consulting with the Borough on Purchase of other public sanitary sewer because both of these are implied. Mr. Raimondo again suggested keeping the Community Garden but giving the Borough the Salt Shed based on the concern for the residents. Mr. Raimondo reiterated that we the board needs more information about the Stormwater Management System before deciding on that piece of the agreement. Mr. Fedorchak will reach out to other Authorities to see what the process was and how long the process takes. Mr. Ebert discussed some of the steps that will need to be taken in order to get the information to complete the study accurately. For the \$200,000 payment, Mrs. Sokolowski suggested that it may be possible to earmark the money for certain projects. The board discussed changing the term from 50 years to 20 years with renegotiation in 10 years on payments amounts if necessary. Mr. Fedorchak will take the boards concerns back to the Borough.

COVID-19 Vaccination Mandate

Mr. Raimondo discussed his concern the COVID Vaccination policy and that it was supposed to be a vaccination policy not just COVID vaccination policy. Ms. Smith discussed concerns about the delta variant of the coronavirus and that we should have a COVID Vaccine and we can work on a more intricate policy later. Mrs. Reilly agreed that we should work on the COIVD policy. Mrs. Reilly stated that she was on board with a COVID Vaccine mandated. Ms. Sokolowski expressed that she was on board with the COVID Vaccination Policy but was under the impression that the staff was preparing a comprehensive vaccination policy as well. Ms. Sokolowski ask what the procedure is for crafting policy, does the solicitor craft policy or does the Authority staff craft policy? Mr. Fedorchak stated that the attorney's craft the policy especially with the subject matter and the sensitivity of the information, but it depends on the subject matter. Mr. Clarke suggests a COVID 19 Vaccine Policy separate from a policy for other vaccinations. Ms. Sokolowski suggested changing the language, Mr. Clarke being as broad as possible to

give the Authority more flexibility. Mr. Clarke suggested leaving a period of time before the policy is implemented to the executive director to meet with employees to discuss the issues so the policy will go into effect October 31, 2021. Mr. Fedorchak stated that he has been keeping the union in the loop on suggesting mandating the vaccine.

A motion was made by Mr. Raimondo, seconded by Mrs. Sokolowski to approve a resolution adopting a mandatory vaccine policy effective October 31, 2021 giving time to talk with employees and the union about the policy. None opposed. Motion approved 4-0.

INVITED GUEST(S):

None.

APPROVAL OF MINUTES:

A motion was made by Mrs. Sokolowski, seconded by Ms. Smith, all voting "Aye" to approve the July 27, 2021 meeting minutes. None opposed. Motion approved 4-0.

FINANCIAL REPORT:

The financial report was reviewed and discussed with the Board Members.

Mr. Raimondo asked about the general representation Invoice for Rudolph Clarke LLC. Mr. Raimondo asked why we do a general representation rather than a retainer and which is more cost effective. Mrs. Sokolowski asked what makes something change from general representation to a separate invoice like Coronavirus. Mr. Clarke explained how when and why something gets separated out, most things do not fall into separate categories. Fees are the same no matter what category the detail goes into. Mrs. Sokolowski also asked if we were able to get grants or money for the Coronavirus and Mr. Clarke explained that we were not eligible for any of the grant money. Mr. Raimondo asked if the drafting of the MOU was going to be separated at, Mr. Clarke stated that it will be in general representation. Mr. Raimondo asked if Rudolph Clarke was directed to draft the MOU. Mr. Clarke stated that he was directed by the board chair and the interim executive director to draft the MOU. Mr. Raimondo asked why Mr. Fedorchak couldn't draft the MOU. Mr. Raimondo stated that he feels the board should have been the one to give direction on the memorandum not just the board chair and executive director.

A motion was made by Mrs. Sokolowski, seconded by Ms. Smith to approve the bills in the amount of \$86,336.86. None opposed. Motion approved 4-0.

Mr. Fedorchak was given direction to analyze the Rudolph Clarke invoices to see if we can come up with other options for billing.

Mr. Raimondo asked about the negative escrow balance for Echo Ridge and why it is still negative.

Medical Insurance Renewal

Mrs. Stewart discussed the medical insurance renewal with the board and recommended to say with save plan with the increase of about \$607.54 a month.

A motion was made by Mr. Raimondo, seconded by Mrs. Reilly to approve the Authority's Health Insurance Renewal for the Independence Blue Cross Bronze Plan. None opposed. Motion approved 4-0.

A motion was made by Mr. Raimondo, seconded by Mrs. Reilly to accept the Financial Report. None opposed. Motion approved 4-0.

NEW BUSINESS

SOLICITOR'S REPORT:

The Solicitor's report was reviewed and discussed with the Board Members.

Freedley Square

A motion was made Mrs. Sokolowski, seconded by Mr. Raimondo to approve a resolution to the release of Professional Services Escrow for Freedley Square. (Note: escrow was funded for dedication of facilities only.) None opposed. Motion approved 4-0.

By-Laws Amendment

Ms. Sokolowski asked that the meeting dates in the By-Laws from the 3rd Thursday to the 4th Tuesday. A motion was made by Mrs. Sokolowski, seconded by Mrs. Reilly to approve a resolution to amend the By-Laws of the Borough of Conshohocken Authority with the changes suggested. None opposed. Motion approved 4-0.

SORA West Dedication and Partial Release of Performance Security

A motion was made by Mr. Raimondo, seconded by Mrs. Sokolowski to approve a resolution to accept a resolution to accept dedication of a portion of the public improvements related to the SORA West Project and to approve the partial release of the performance security pending file review from the Authority's Solicitor and the Authority's Engineer's approval. None opposed. Motion approved 4-0.

A motion was made by Mr. Raimondo, seconded by Mrs. Reilly to accept the Solicitor's report. None opposed. Motion approved 4-0.

PLANT ENGINEER'S REPORT – EBERT ENGINEERING, INC.:

The Plant Engineer's Report was reviewed and discussed with the Board Members.

Mr. Ebert discussed the following matters:

Electrical Substation Upgrade

Mr. Ebert discussed scheduling a meeting with Keystone Engineering Group to tour the plant and come up with a proposal.

Sludge Pilot Tests

Mr. Ebert is still working on the final report for the pilot tests, Mr. Ebert reached out to the manufacturers with questions and is waiting for their responses, Mr. Ebert also discussed that the materials may need to upgraded and suggested a structural engineer to evaluate options for replacing the exterior walls with concrete or composite material that is suitable for a sludge dewatering building.

Liner Project Bids

Mr. Ebert discussed that the liner contracts have been placed on PennBid and extended the due date to September 14, 2021. A pre-bid meeting is scheduled for August 26, 2021 to talk over the projects scope with potential bidders.

51 Washington Street and Matson Mill Projects

Mr. Ebert discussed that taking dedication and allowing use of the line for Matson Mill if the Matson Mill project is complete before the 51 Washington Street project.

A motion was made by Mr. Raimondo, seconded by Ms. Smith to accept the Engineer's Report. None opposed. Motion approved 4-0.

OPERATIONS MANAGER'S REPORT:

The Operations Manager's Report was reviewed and discussed with the Board Members.

Mr. Mongan discussed the following matters:

- Renovation of the Kitchen and Conference Room. Mr. Fedorchak suggested using connection fee money for the project because it part of the plant. Mr. Raimondo suggested getting an architect or designer to come in for a redesign and Mrs. Reilly agreed. The board gave direction to Mr. Mongan to go ahead with getting proposals.
- Mr. Davis passed the collection system operator test and is applying for his license.
- Mr. Mongan will be attending the PMAA Conference.

A motion was made by Mr. Raimondo, seconded by Ms. Smith to accept the Operations Manager's Report. None opposed. Motion approved 4-0.

COLLECTIONS & MAINTENANCE REPORTS:

The Collections & Maintenance Report was reviewed and discussed with the Board Members.

A motion was made by Mr. Raimondo, seconded by Mrs. Reilly to accept the Collections & Maintenance Report. None opposed. Motion approved 4-0.

INTERIM EXECUTIVE DIRECTOR'S REPORT:

The Executive Director's Report was reviewed and discussed with the Board Members.

Mr. Fedorchak discussed that Cathy Seiler from Brinker Simpson & Company has completed the audit and will be at the September meeting as well as Chris Gibbons from Concord Financial Group to discuss refinancing options.

A motion was made by Mr. Raimondo, seconded by Ms. Smith to accept the Interim Executive Director's Report. None opposed. Motion approved 4-0.

ADJOURNMENT:

There being no further business to come before the Board, it was moved by Ms. Smith, seconded by Mrs. Reilly, all voting "Aye" to adjourn the meeting. None opposed. Motion approved 4-0. Adjournment occurred at 9:49 PM.

Respectfully submitted,

Shannon Stewart