

REGULAR MEETING BLOSSBURG MUNICIPAL AUTHORITY
FEBRUARY 5, 2019

The regular meeting of the Blossburg Municipal Authority was held on Tuesday, February 5, 2019, at 7:00 PM in the Council Room.

The following members were present: Chairman M. Stoudt, Vice Chairman J. Bubacz, Jr., and Treasurer J. Eckman. Absent was Secretary S. Hall who advised G. Lloyd he would not be present because there was a makeup basketball game he had to referee. Also present was G. Lloyd, Borough Manager and L. Lazouras, Recording Secretary.

GUESTS

Beth Weiskopff, Katie Kshir, and Matt Stroup from FCCB, Jolene Hall Council President, Wendy Shattuck, Betty Woodard, Jason and Joann Collister, Pat and Melissa Bauman, and Josh Jones.

Chairman Stoudt called the meeting to order at 7:04 PM.

MINUTES

The minutes from the regular meeting held 1/2/19 were brought up for discussion. There being none, a motion was made by J. Eckman, seconded by J. Bubacz, "That the minutes be approved as read." All in favor.

BILLS BE PAID

Unpaid bills for sewer \$24,352.90 and for water \$19,335.78+\$9,264.76 Penn Vest monthly payment

- 1.) M. Stoudt asked about the extra bills from Seewald Labs. for sewer tests and these are for helping HRG design the new sewer plant. We are paying for them, but if need to be repaid from the project we can submit them to RUS. George said if we can pay bills from our regular income and not submit, it will be less we will have to repay on the loan.
- 2.) J. Eckman asked about the bill from Rural Water in sewer and water and this is to attend their annual conference held in State College in March, where you earn credits toward your operator's licenses. There being no further discussion, a motion was made by J. Bubacz, seconded by J. Eckman, "That the bills be paid." All in favor.

TREASURER'S REPORT

J. Eckman reported the balance in sewer of \$76,211.78 and in water \$19,115.15. Sewer bills go out again in March and water in April. A motion was made by J. Bubacz, seconded by M. Stoudt, "That the treasurer's report be accepted subject to audit." All in favor.

GUESTS

The Chairman asked the guests to introduce themselves. The bank people are here to discuss investments. J. Hall is here to observe as is Josh Jones, Pat & Melissa Bowman, Jason and Joann Collister. Wendy Shattuck and Betty Woodard were present to discuss the sewer rate increase.

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B. Weiskopff was in attendance to discuss our options for fund investing to earn a better interest rate. K. Kshir had account papers for the Chairman to sign following the loss of our Treasurer. M. Stroup is a certified financial planner in the broker's side of the bank.

J. Eckman had asked for a letter from FCCB regarding Act 72 deposits and a list of securities pledged as collateral in support of our deposits held at their bank. A letter was received from Steve Guillaume last month, responding to our request regarding Act 72 deposits. A list of securities pledged as collateral in support of deposits held at the bank. The provisions impose upon a depository bank the legal responsibility for keeping public funds adequately and continuously secured. Under the Act, individual public fund deposits are not separately secured by specific assets but by a pool of assets.

Beth discussed laddering the CD's, other options, and passed out a sample proposal. She also discussed FDIC coverage. It was asked if there were early withdrawal penalties. There are also different terms for investing from 12 month to 5 years. Matt said on broker accounts it can fluctuate based on market terms, and the variables are different. We can also invest with the bank as we did with our C&N Bank investments. M. Stoudt noted that we will have to look over the information to decide what to do since we will have to spend money soon on projects. In the sewer we have three CD's that mature in May and should make a decision in April. The three were thanked for attending and left the meeting at 7:14 PM.

W. Shattuck wanted to discuss the sewer rate increase as did B. Woodard. Wendy asked why the new plant is going to cost close to \$10 million in the new customer letters sent out. Last year the letter that was sent first said it would be \$6-7 million. RUS said we could not use our regular engineer so had to bid out and hire a different one. This caused an increase in expenses. We want to point out that we were very fortunate to receive a 50/50 grant and loan from RUS which rarely occurs. This helped us keep our customer's rate lower than what they would have been with less. Before you accept the funding you are told what amount you have to bill your customers to be able to repay them.

Wendy also asked about us having money coming in from oil and gas leases. The new stp was set up before any royalty money came in and we went to RUS for our project. The royalty money cannot be used for the sewer as the lease is for Water Company property. The amount we receive depends upon well production each month and has been steadily decreasing. This funding could stop at any time if they don't use the wells. We also have water projects coming up to spend funds on. We have earmarked funds for water and sewer line improvements for our infrastructure. We are looking at installing an additional water holding tank and a new supply line as we have to make repairs to our current one.

Josh Jones asked if our minutes can be put on line so people can follow along on the project. M. Stoudt said this can be done. The email address is Blossburg.org. Leesa informed him that this cannot be done until the minutes are approved.

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The new stp is a large project. The original plant was put in in 1968-1969 and has lasted much longer than it should have. It is too costly to upgrade to current DEP requirements so the decision was made to put in a new one. We are told by all government agencies what we are required to do and have to do it. We work on keeping the cost to repay the loan being affordable to people on a limited income. Our infrastructure is also aging and constant work has to be done on that.

Jason Collister stated the water property is leased to Repsol. With some leases the wells are not in production so you are not paid. We are currently receiving royalties on the Johnson well. The money depends upon the market price which changes daily. It is unknown how much or how long the well will be used, it could stop today, so you cannot depend on it as steady income you will receive.

J. Eckman said we are in the design phase of the new plant and construction will not start until 2021 and operating in 2022. If we did not do the new plant, we can be fined daily. We have had to pay fines to DEP for a few years since we were not meeting their requirements. We had to reach an agreement with them for a new plant and have a consent order to follow. Another requirement was put in place with meeting the Chesapeake Bay requirements.

George said the total project cost of the sewer project is \$9,263,000.00 with the split of \$4,628,000.00 in loan and \$4,635,000.00 in grant. When you do a project cost, it is an educated guess. J. Bubacz said we have to demonstrate the ability to pay them back when accepting the funding.

B. Woodard discussed the three bills from the Boro over a period of a year and what the cost per month would be. She said a friend who lives in Wellsboro that pays \$645.60 a year, and is billed water, sewer and garbage monthly. This amount is similar to what Betty pays, but not with the sewer rate increase. She does her money budget and it is a big jump to cover the months for sewer and water billing. It would be better for her to pay one set price per month, and wondered if we could possibly go to monthly billing. We can check with Wellsboro on what their rates are and their billing process. Betty said 90% of our people are on a fixed income and work using a monthly budget. J. Eckman said we can look into this, but does not know how it would affect our reading of meters which are done quarterly now, the billing process, and the effect on our budget. M. Stoudt also said we would have to look at how it would affect repaying our loan with RUS. M. Stoudt also noted that we have tried to keep our rates low for a long time and were lower than other communities, and cannot complain about how long our sewer plant has lasted. We appreciate Betty's suggestion and can look into it further.

OLD BUSINESS:

A.) WATER UPDATE

We have been looking for leaks as the usage is up about 30 gpm. In Morris Run it had been up to 70 gpm but is down to 20 gpm since they fixed a leak up there. With the cold weather we do have people that leave their water run so it does not freeze.

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B.) DELINQUENTS

Not much has been done with the cold weather as we do not want to any more freeze ups as there have been some. Ed Montague had a leak at his apartments and called. There have also been meter bottoms breaking.

C.) INFILTRATION-LETTER TO DEP

When we have big water problems from rain or snow melting and have flooding at the pump house, extra pumps are used to bypass. We have to send a letter to DEP advising them of this and the steps we had to take under the Consent Order. This is one problem that will be corrected with the new stp.

D.) WATER FUTURE i-99/BUSINESS 15 CORRIDOR

They are now going for funding through RUS. When they were offered funding through the Penn Vest program, the user rate would have been \$82.00 a month, which their customers could not afford. They turned down the Penn Vest offer. They have a meeting with RUS on 2/13 with a preliminary application.

E.) CHEMICAL REDUCTIONS AT STP

We are adding the ferric chloride to keep the phosphorus reading down. We still have to buy credits to meet our requirements for the stp and this is one issue that will be resolved with the new plant and we will not have to be putting money out for this.

F.) TAYLOR RUN-SOUTHWESTERN

Erika from Forestry is to notify the company about the project being completed and a letter is needed.

G.) CAPITAL IMPROVEMENT BOOKLET

George said we have the Taylor Run water line and a new million gallon tank at Taylor Run. The water line to the well by the reservoir will cost about \$258,440 and the new tank will cost \$1.75 million. We have spent a lot of money on finding additional water sources we can use. We are working on a project to run a new water line to the new tank and materials are about \$130,000.00 with installation and connection costs to be added. Our old water tank on 15 needs work done to it and we don't have a cost for that yet. The new tank is the same elevation as the other one, so there will be one on each side of the hill. J. Eckman asked if this is a non-bid item. By going through the Costars program through the State, you get the best bidders which they know are good. S. Bray is working on the design and when done can put it out for bids. Our crew will do the earthen work. A motion was made by J. Eckman, seconded by J. Bubacz, "That we proceed with the tank." All in favor.

H.) CASSELBERRY

He is working on the SRBC paperwork for the Taylor Run well and the House well.

I.) OLD HOSPITAL

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J.) HYDRO APPLICATION WATER WITHDRAWAL-WATER ALLOCATION

They are trying to find a company that will buy the water by the Arnot Road. George reported the hydrant froze and was repaired so companies could get water.

K.) PIPELINE BY TAYLOR RUN

George passed out paperwork from S. Bray for construction costs from the new well to the Morris Run Road, and the new water tank for the members to look over.

L.) INTERNET AND SOFTWARE PAY BILLS ON LINE

The Boro is looking into this and should happen in the summer.

M.) POWER PAY

Mike and George

N.) NEW STP

The members were given a copy of the engineering report and schedule, which we get monthly. S. Bray talked with their engineer about disinfection system analysis and recommendations. One system is cheaper than using chlorine and has to be discussed with DEP. They discussed dewatering equipment for the sludge. They also discussed a generator for there.

O.) BRAY WTP EVALUATION

He will work on this once we get the new well on line.

P.) BR GENERATOR

George discussed an exhaust pipe for this so it can be fixed.

Q.) AGREEMENT HAMILTON TWP. TAYLOR RUN ROAD

R.) BR DAM

We plan on fixing the pond in the summer and S. Bray will work on the design.

S.) REPSOL WELL PAD DORN-HOLD HARMLESS AGREEMENT

When we signed the paper, it was on the wrong line so it was sent back to them for their signatures.

T.) WIND TURBINES

An email was received from Judd Rogers which M. Stoudt read. Mike feels our #1 priority is proper use of our water system, and should be good stewards of the land. We should keep the water as pristine as we can and protect it for use. They leased some land to the south of ours and plan to install a meteorological tower in the coming months to measure wind speeds. Mike is concerned about the visual impact on the landscape, and land disturbed for roads and transmission lines. We also have timber on this property that can be harvested. There are also wetlands in the proposed area. Mike wondered if the gas and wind company's would work together for placing pipelines. J.

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Eckman said the world is working toward renewable energy since fossil fuel is out. J. Bubacz said some information put out is vague at this point. A motion was made by M. Stoudt seconded by J. Eckman, "That the Authority will make no commitment at this time to the turbines." All in favor.

U.) PAINT BR TANK

This will have to be done since it will be used to back up Taylor Run.

V.) REPSOL AGREEMENT BR SURFACE WATER MONITORING

They are in place and functioning. George has to get the information from Casselberry to at the reports on line.

W.) RAILROAD PROPRETY-R. WILSON

The agreement was signed and sent back to Wilson for his and his wife's signature, and then the closing will be done at Lantz's office.

George said we will have to do a Resolution to accept the Deed. A motion was made by J. Eckman, seconded by J. Bubacz, Jr., with all in favor:

BE IT RESOLVED THAT, the Blossburg Municipal Authority is in acceptance of the Deed in lieu of Condemnation for a parcel of property containing 0.38 acres, more or less, as being shown on a survey map prepared by Duane Wetmore, P.L.S, dated November, 2018, and identified as Map #138-18.

We had previously agreed to purchase the property from Ralph Wilson. A check in the amount of \$8,801.69 for the Settlement Statement is to be sent to s will be sent to C. Lantz.

X.) FCCB INVESTMENTS-Discussed

NEW BUSINESS:

A.) FCCB SECURITIES PLEDGED-Discussed

B.) 2019 PROPOSED BUDGETS

These had been in the members packets. A motion was made by J. Bubacz, seconded by J. Eckman, "That the proposed budgets are approved." All in favor.

C.) NEW MEMBER

An ad had been placed in the Wellsboro paper to fill Ben Jones's term. A letter of interest was received from Henry Bartlett 145 Lynd St. and one from Pat Bauman 321 Ruah St. J. Eckman suggested that we not make a decision at this time since S. Hall is not present and would like his input. The members agreed to leave this meeting open and George will set up a meeting possibly Monday the 11th and call the members.

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D.) LETTER TO HAMILTON TWP. SEWER INCREASE

George sent the letter to the Twp. and read it to the members.

Betty Woodard left the meeting at 8:17 PM.

E.) HGR REPORTS

Given to the members in their packets.

Requisition #4 from the Line of Credit was received from HRG in the amount of \$15,626.39 covering 12/3-12/30/18 for engineering to be sent to RUS. A motion was made by J. Eckman, seconded by M. Stoudt, "This bill be approved for payment." All in favor. J. Eckman and S. Hall will have to sign it.

F.) C&N investment reports to 12/18 were in the member's packets. J. Eckman has not talked with Deb Scott regarding the market fluctuating.

G.) A statement was received from REPSOL for the #14 Royalty payment of \$71,461.14.

H.) PENELEC LETTER

This discussed shopping for different generation suppliers. We are already in a program that the Borough is also in with Constellation New Energy.

There being no further business, the Chairman said this meeting will be left open to discuss the new member and reconvene.

The Chairman thanked everyone for attending and all left at 8:24 PM.