

**BELLEFONTE BOROUGH AUTHORITY MEETING  
APRIL 7, 2015**

**CALL TO ORDER**

The regular meeting of the Bellefonte Borough Authority was called to order at 6:00 p.m. by Authority Chair Joe Beigle in the Bellefonte Borough Municipal Building.

Pledge of Allegiance:

**ROLL CALL**

Members Present: Beigle, Badger, Brown, Halderman, Clark, Scott

Members Excused: Thal

Staff Present: Ralph Stewart, Borough Manager  
Eric Lundy, Nittany Engineering  
Bob Decker, Nittany Engineering  
Bob Cook, WWTP  
Matt Auman, Public Works  
Don Holderman, Assistant Borough Manager

Guests:

**APPROVAL OF MINUTES**

Mr. Halderman made a motion to approve the minutes of March 10, 2015. Mr. Brown seconded the motion. A voice vote was unanimous.

**COMMUNICATIONS**

**ORAL**

- None

**WRITTEN**

- There will be an Open House at the Bellefonte Borough building for one of the retiring employees, Linn McClincy, on Thursday, April 16, 2015, from 2:00 p.m. to 4:00 p.m. in Council Chambers.

**COMMITTEE REPORTS**

Finance Committee – Due to illness there is no report.

## **ENGINEER'S REPORT:**

### Water Report - by Eric Lundy

Corning Pump House - Pump Upgrades - On the Corning Pump House project they are getting it ready to bid. Jason sent Ralph Design Team plans today. There are several steps to go through. The one step is to go through Centre County Code submission. The intent is to submit it this week and have it advertised for bid next week. The assumption is that bid opening would occur after comments are received from the code submission review. Ralph stated they would go as far as possible but not issue a letter to proceed or award the bid until the code issues are addressed. Jason has been talking with the electric company. They are responsible for setting the transformer. The contractor will pour the pad. Jason has been in contact with the person Bob Dorman was dealing with and it is being scheduled. Jason said West Penn Power is ready to go when NEA says go. Code will look at any changes to the pump and the electric service. Because it went to a new code office they look at the electric service as a new service and not just a change. They also check safe operating distance between electrical cabinets. Eric hopes to have a bid opening by the middle of May but the Code Office review will dictate that.

The Authority is going to begin ordering equipment to save time and possibly money because there won't be the mark-up.

Being optimistic construction would begin in June but Jason feels July looks more in the realm of when construction will start.

The Authority would like assistance in the bidding process so Jason will get in touch with Ms. Hartle.

Centre Peace Water Service Review - NEA reviewed the revised fire and domestic water service plan for the Centre Peace development located along the Benner Pike. All comments were addressed and the service lines were revised so that their length from the main is less than 100'.

Big Spring Cover Replacement - Ralph, Eric and Dan Martin from NEA had a telephone conference call with the suppliers of the cover and the fountain and got a good idea of who is doing what in this project. They put together a proposal for the Authority to review and hopefully approve to get things moving on the design and permitting necessary through DEP Public Water Supply Permit Application process. He provided it to Ralph and it is in the Authority packet.

A decision needs to be made about how many fountains would be on the cover. Ralph said when Coca-Cola dropped off the leak loggers they did recommit to at least \$70,000.00 towards the cover. Senator Corman's office originally said they would seek grant funds. There is still optimism that they will. Ideally most of this will be covered through external funds. A cover design needs to be approved. There also needs to be a permit application that will go to DEP. That pump system that pumps fresh water on top of the cover will need to be approved.

Mr. Badger made a motion to accept the Nittany proposal as long as the proposed fee comes out of the money from Coca-Cola. Mr. Clark seconded the motion. Mr. Halderman would feel more comfortable if it was not to exceed the amount when all the miscellaneous items

are included. Mr. Badger amended his motion to say not to exceed \$8,300. Mr. Clark seconded the amended motion. A voice vote was unanimous.

Eric reported at the PRWA conference a guy stopped by the booth that does backflow testing and repair. Matt talked with him at the conference.

Matt Auman - There are a few leaks. One was repaired on March 5th on Burnside Street. They did the service lateral. A couple service lines were discovered yesterday that need repaired. One of them is on Pike Street.

Ralph said it is Pike Street from Allegheny Street east going toward the cemetery. On the 200 block there is a residence where the guy has a leak on the service line. The Borough guys tried to patch it but it is to the point where it is leaking toward the main curb stop. Further up on the 300 block there is low pressure probably because of the leak in the 200 block. The line is in very bad shape. Ralph said the lateral will need to be repaired on behalf of the owner because he doesn't have the means to do anything. He doesn't quite understand what is going on so it is difficult dealing with him. The Borough would bring in a contractor, pay the bill and then put a lien on the property. If he wants to make payments they will be set up and if he doesn't the lien would protect the investment. He then would like to plan on replacing the main in Pike Lane. It is undersized. The timing will need to be looked into because of a lot of projects in that area. It may need to be done in parts. Dave decided if they could get from Ridge Street out, which is the 300 block and replace that part of the main. There is a valve at the corner of Ridge and Pike where they can tie in.

Matt said there was another leak located on Centre Street yesterday. He contacted the homeowner. It is a lateral.

The Rockview connector line was put on for a week last month, the 23rd - 28th, during the water conference and it went well. They used 2,633,000 gallons. That will equate into a bill of over \$11,000.00 for one week.

On the 17th & 18th the full DEP inspection was done. They went over all the pump houses. There were a few minor infractions. The real violation was with the fluoride. It is supposed to be tested daily and do the weight and measure daily pounds per day. Nobody knew that was required, but they found a copy of the permit stating that and a copy of the letter that Ralph gave Bill and Zeke in the file. There are a few hurdles to overcome there. Matt attached a sheet showing the costs that will be incurred to get up to speed on that. Ralph said Matt did a lot of homework on the fluoride issue. One issue is there wasn't enough fluoride put in it. Currently the cost is approximately \$2,500.00 per year and the cost will probably triple. A shower for safety needs to be installed in case the chemical gets on someone. It is a hydrofluoric acid that is very potent. It will eat your skin off in a matter of seconds. You need a scale to measure the weight of the chemical; a fluoride test kit; a secondary spill containment in the building.

Ralph asked the Authority to take it out of the system and no longer provide fluoride in the water. At the PRWA conference a gentleman spoke about this and said the rate of tooth decay has dropped considerably because of the amount of fluoride that is available now. If it is not taken out the mandate would have to be followed. The regulatory side of the system is clearly in the name of the Authority. Mr. Halderman is against taking the fluoride out of the system. He suggests before it is done a public hearing be done to take comments from the public. He feels it would be a battle to take it out. He feels if it isn't hurting anybody and it

seems to work for the kids in Bellefonte then it is a good thing. Mr. Beigle said the biggest opposition to this years ago was Frank Dankanich, the dentist. Mr. Beigle read something a while back and there is more fluoride in things that are done today than ever. He would ask someone to come in and talk to the Authority and then if it needs to go to the public it would be done. He feels most people today would agree to taking it out. He wants to know how far you can continue to go to do things as far as the government goes to try to regulate things to make things better for everybody else. He said fluoride toothpaste is available and they tell them to use it. Dan doesn't have enough information on it. Ralph suggested the Authority members Google "fluoride in your water". Mr. Beigle would like to know how many Water Authorities there are in Pennsylvania and how many still put fluoride in. Matt will get the figures. Eric reported there are over 9,000 water systems in Pennsylvania.

Matt reported there were some other minor infractions that can be taken care of with not much cost.

There were six that went to the PA Rural Water Conference at the Penn Stater during the week of the 24th - 28th. That is where most of them get their DEP mandated contact hours.

The RPZ and the flow meters are being gathered up for the Penn Eagle pump station so that can get permitted. Mr. Koltay passed away. Ralph will find out who will take over and start discussions with that person.

- At the last meeting Matt brought up the idea of looking for new check valves at the Reservoir. The ones there weren't functioning correctly. A price was obtained on the style that was recently put in the Corning Pump House from V-Systems, \$1,365.00 for one 10" single disc swing check valve. Two would be required. They are Titan Flow Control valves. Ralph would like to move ahead with getting those and getting them installed. The Authority said to go ahead and get started with that.

- V-Systems was looking for a coupler for the motor in the pumps at the Corning Pump House. They located some at a cost of approximately \$1,100.00 each. They revised their motor cost estimate and included the coupler in that. Ralph feels one will be purchased to have just in case. Some purchase orders will be issued for equipment that has the longest lead time so it is here when contractors are ready to start.

#### Sewer Report - by Bob Decker

RBC System Upgrade/BIOMAG WWTP Upgrade Project - Pending Funding approach, we are ready to start design and permitting phase. Based on a potential concern that PA DEP may require additional planning if we try to permit additional Organic and Solids Loading, it is Bob's recommendation that this plant upgrade is approached as an upgrade to replace the RBC's and other items identified and go after a re-rating organic and solids loading after this project is permitted.

User Rate Analysis - NEA completed a User Rate Analysis to show the cost impact from the additional capital cost financing for the plant upgrade under 14-001K above. Please note that the User Rate Analysis assumes that SBWJA will finance their portion of the project as they have directed in recent correspondence.

NEA has updated the User Rate Analysis to reflect project escalation due to inflation for the 2020 project budgeting option. NEA will also look into the PENNVEST funding option for the project and add the possible bond scenario (Concord Financial) as an option to be looked at for funding the project and its effect on user rates. Based on the following, we are recommending the Concord option for funding the wastewater improvement project:

#### PennVest Loan -

- Positive, good interest rate.
- PennVest never did an amortization less than 20 years, however there is no penalty for early payoff, but would require BBA setting up a separate savings account and making payments to it to be able to pay off within 10-15 year window.
- An interim loan is recommended (typically needed) to cover project costs through construction and until the loan is actually settled through PennVest. Additional cost and administration.
- In order to submit a funding application to PennVest all DEP and/or federal permits must be issued prior to submitting an application. There may also be a requirement for additional planning as a result, which could add time and cost. NEA recommends looking at re0rating organic and solids loading separately from the RBC improvement project.
- There are numerous administrative services that will be required during the application, funding disbursement and loan closing with a PennVest loan, which add costs to the project as well as the overall loan realized interest rate. Note these costs can be made part of the loan.
- Adds another layer of oversight (PennVest and DEP). IE more strings attached to the funding than a note through Concord.
- Bellefonte will need to have a person dedicated to administering the PennVest loan via PennVest's on-line application, funding disbursement and settlement phases.

#### Concord Bond -

- Set up with interest only period to balance out Debt Service until current Bond is paid off in 2019.
- Set your amortization to either 10 or 15 years.
- Bond is set up like a construction loan or Line of credit, where you only draw amount needed to pay current pay requisitions and only pay interest on what you draw. No need for Interim Loan.
- Less "strings" with having all permits in hand prior to bidding and potential other PA DEP oversight/requirements.
- Less administration by BBA personnel as well as NEA.

If you went PennVest you would have to get the early pay-off without penalty option approved up front.

The interest rate is 2%. The interest paid for 20 years would be \$750,000.00. If it is paid in ten years it would be approximately \$400,000.00 in interest.

With the Bond the amount paid in interest at 4 1/2% interest rate is \$1.21 million. That is going out to 2030. The 15 year principal and interest bond was higher interest, but the interest

you would pay over 15 years is \$1.68 million. Based on that you ask what the equivalent interest rate would be.

With PennVest you have more strings attached because they are connected at the hip with DEP. You can't even apply for PennVest until the permits are in hand. The Bond can be applied for now. The Bond works like a construction loan or line of credit. An interim loan isn't necessary. You only pay interest on what is drawn.

Bob suggested it may be worth pursuing other banks to get a lower interest rate. Ralph met with Greg Wendt from Northwest Savings Bank. He will get back to Ralph as soon as he has some figures.

SBWJA pays 42% of the total. The project is just over \$6 million and the Bellefonte Borough Authority is looking at a \$3.5 million loan. SBWJA will pay their share as they go. That is written in a letter.

If you go PennVest typically an interim loan is required to make the payments through construction, which is another set of loans, some bond council costs, interest, etc. To make PennVest attractable you need to be at least \$5 million or over because of all the administration and the interim loan.

Ralph would like all the PennVest costs so they can be compared with Northwest and Concord.

Ralph said the big piece of this is the RBC replacement but there are some smaller pieces like the belt press and the piping and he is not sure those things can wait two years. Bob feels that would be stretching it. Ralph suggested the Authority could purchase the press.

A meeting with SBWJA will be set up in the near future to discuss this project.

RAS Piping Upgrade - To be included in the plants capital project.

NPDES - EPA Pretreatment Program - Headworks Analysis - NEA has provided the new limits to the Authority for final approval prior to processing with the EPA.

Sludge Dewatering Equipment - Evaluation/Replacement - To be included in the plants capital project.

BBA - Pretreatment Program - NEA is working with the facility staff to revise some parts of the Pretreatment Program to be updated with today's treatment costs and current regulatory language.

At a minimum, the surcharge price per pound of BOD and rate that exceeds the current limit of 300 mg/l will be updated along with any applicable EPA ordinance updates.

They are trying to get some backup to justify the rate increase so there is something on file. It won't get advertised. They are waiting for some backup data from Ms. Walker from past expenses and find the inflation from 2005 - 2015.

University Park Airport Deicing Fluid Concerns - They had a meeting with the airport on the deicing and explained to them why the Authority couldn't take the deicing fluid in the concentration and the flows that they were giving. Bob and Bob plan to get up there and tour their system. Mr. Beigle suggested they find out how the whole system operates. Bob found out that at both ends of the runway there is emergency deicing places with a holding tank that they would have to pump and hopefully put in the 50,000 gallon tank. There is another backup

deicing area in a separate holding tank. Bob felt they seem cooperative and happy that the Authority initiated the discussion. Their 50,000 gallon tank is pretty full. Overall it was a positive meeting.

Bob Cook - The bulk water sales for March was 26,400 gallons.

Two quotes were received to replace the flat roof on the Red Brick Building. They were \$30,510.00 and \$19,880.00. He is waiting for the 3rd quote, also waiting on quotes for trusses with a metal roof.

The Masonry Class at CPI will be repairing the brick wall that fell. (Red Brick Building)

A coil is leaking in the air handler, second floor Control Building; Allied Mechanical is preparing a quote.

Land applied approximately 187 tons of biosolids during the month of March.

On March 30th submitted the 2014 Pretreatment Report to EPA and the 2014 "Chapter 94" report to DEP.

- Ralph, Mr. Beigle and Mr. Halderman met with Tom Schrack and John Blasko regarding the JCI Contract. They went through the issues. It is unclear where any savings were seen. The advice was to try to find an engineer that has expertise in this area. It was felt that because NEA is involved on both sides it would be better to find somebody else that has no conflict. NORESKO is someone that did Rockview. Bob has contacts and he will forward them on to Ralph. An invoice for \$13,000.00 was received from JCI for the M&V (Monitoring & Verification Phase). That was in the contract. Ralph will leave that as is until advice is received or as long as he can. If he gets any threatening emails he will let the Authority know. Tom is going to review the contract. All the reports and preliminary reports will be shown to the engineer that is used.

- A meeting will be set with SBWJA.

### **OLD BUSINESS**

- Mr. Beigle showed a leak detector that was compliments of Coca-Cola. The devices are put on a shut-off valve and left there over night. A lap top comes with it also and when they are brought back in it is plugged into the laptop and that determines where the leaks are. The package is worth approximately \$20,000.00. There will be some training on them. Coca-Cola does this type of stuff because of conservation. They get credits through the government. Coca-Cola used to provide a contractor each year to do leak detection. There will be training on the devices.

### **NEW BUSINESS**

- None.

### **ADJOURNMENT**

- Mr. Clark made a motion to adjourn the April 7, 2015 meeting of the Bellefonte Borough Authority at 7:20 p.m. Mr. Hill seconded the motion. A voice vote was unanimous.