

**BELLEFONTE BOROUGH
AUTHORITY
MEETING MINUTES
March 6, 2018, 2018 - 6:00 p. m.
236 West Lamb Street, Bellefonte, PA 16823
www.bellefonte.net**

CALL TO ORDER:

The meeting of the March 6, 2018, Bellefonte Borough Authority was called to order in the Bellefonte Borough Municipal Building at 6:00 p. m.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

AUTHORITY MEMBERS PRESENT:

PRESENT: Mr. Frank (Buddy) Halderman
Mr. Brian Walker
Mr. Joe Falcone
Mr. Joe Beigle (via teleconference)
Mr. Greg Brown
Mr. Mike Schmidt
Mr. Doug Johnson

EXCUSED: None.

STAFF: Mr. Ralph Stewart
Mr. Bob Cook
Mr. Dave Klinefelter
Mr. Decker, Nittany Engineering
Mr. Lundy, Nittany Engineering

CITIZENS: None.

MINUTES:

**Mr. Beigle moved to approve the February 13, 2018 meeting minutes;
Mr. Falcone seconded the motion;
Motion carried.**

ORAL:

New Member – Mike Schmidt

Authority members welcomed new member Mike Schmidt. Members thanked him for volunteering. Members introduced themselves.

Hoppes Meter Issue

Mr. Bill Hoppes, 2238 Shingletown Road spoke before the Authority. He explained that he was in the cleaning/laundry business for a long time. One of his businesses is on Wilson Street. He was having issues with his water meter. The bill was incorrect and there was a meter problem and he was sent a letter to meet with two gentlemen. Dave was one of the men he met with. The meter was not working correctly. At that point, he was advised that he needed a new meter, and had to pay to have it installed. In the 34 years in business, he never purchased a water meter. He understood if he was a new build that perhaps he would need to install that equipment. He has a number of stores in State College, Clearfield, Philipsburg, and other municipalities all of which provide meters. He was trying to get to a resolution of this issue. State College has upgraded their meters a number of times and never charged him a dime, as well as installation. Mr. Hoppes was told he would have to pay for installation of the meter as well. Dave obtained him a meter with whom the Borough deals with and it was \$1,200.00. It is a lot of money to offset.

Mr. Halderman stated that for as long as he knew and as far as he understood commercial customers always paid for meters in the Borough. Mr. Stewart concurred. He stated that residential meters are new and commercials have been around for a long time and always paid for by property owner. When the Authority was up and running about 15 years ago, they stayed with that policy. The water rate does not have meter costs included in the water rate. Mr. Stewart stated that it is either combined in the rate or separate and paid by itself. The upkeep is also the property owner's responsibility, i.e. calibration, repair, etc.

Precedent was discussed, and Mr. Stewart stated that staff went through every commercial property on the system identifying meters, backflow preventer, etc. Every property owner had to comply, and they paid the bill. He stated that Mr. Hoppes may have come in just after that. Commercial meters were started about 20 years ago. About 15 years ago, the Borough went to residential meters for customers as well.

COMMUNICATIONS - WRITTEN:

March 2018 Water Report –

Mr. Klinefelter reported the following: Large leak was finally found on the Corning Line and it was repaired. 750-800,000 gallons were being lost in a 24-hour period. It was on a 6-inch main on Paradise Road right below the Youth Detention Center. A few other small leaks were found through the data loggers – a few in Amberleigh and a couple on

Burnham Farms and Johnathan Lane. They are working on those now. A two-inch main leak was fixed on Adams Corner and a service line was replaced on Potter Street. They started replacing the 6-in. main in Benner Avenue. That will be ongoing for a few weeks.

March 2018 WWTP Report –

Mr. Cook reported the following: bulk water sales for February was 8,200 gallons, February 19 meter guys replaced two level transmitters at the water tank. February 21, pump No. 2 failed; maintenance staff replaced wear plate and pump was back in service within 48 hours. Maintenance plans to inspect Pump No. 1 before it fails. February 27 maintenance staff used the Borough's mini excavator to locate and repair a few water leaks getting into the tunnel.

Daily Water Withdrawal Report – February 2018

FINANCE COMMITTEE REPORT:

Mr. Falcone reported that the books are ahead of budget a little bit. Health Insurance expense on both water and sewer side are both over 25% of the budget for two months. He is guessing that three months must have been paid instead of just two. The P&Ls on both sides are fine.

Exploring Options for Additional Financing for WWTP Project

Mr. Falcone reported on the possibilities on financing additional funds for the project were discussed. There are three options: 1. Finance all of it \$680,000 is needed from the Borough and to keep all cash in the bank – benefits are predictable interest rates are lowest that they are going to be in a while; The Authority likes to stay liquid. Over 20 years, the interest would be \$200,000 paid to the bank. The negative is the interest; 2. Finance half of it and finance the other half from cash from the Money Market account. This would be least appealing due to closing costs; 3. Finance none of it, and use savings in the project fund money market and pay for the overage. That would only make sense if Northwest Bank would grant a \$250,000 line of credit to solidify the short-term cash position should an emergency arise. The benefit of that scenario is that with any line of credit, if it is not used you do not pay for it. On about a \$700,000 line, there will probably be about \$50,000 in debt service in interest. That goes out to the bank.

Authority members reviewed the three scenarios. The rate was assumed prior and it was close in the calculation. The \$700,000 is the Authority's share; the \$400,000 is roughly Spring Benner's portion. Mr. Halderman likes the idea of leaving the money in the money market account as something always comes up. Mr. Stewart offered that closing costs are very expensive and special attorneys. He opined that if that amount of money can be avoided being spent on a small amount of debt, that would be advisable. Having a line of credit gives some cushion. If a new mandate comes down, or something similar, then the money would be spent on special attorneys at that time. By saving the \$45-50,000 a

year, instead of paying it to the bank, the Authority puts it right back into the savings and not spend it. Line of credit interest is variable, so the market rate would be had when the money is borrowed. Most times, the line of credit will be built on prime rate. Rates are predicted to be going up each quarter this year. Next year the prime could be 1% higher than now. The bulk water fund was also discussed. It was mentioned that perhaps it could be used for Authority capital projects. That is on the table, per Mr. Stewart.

A decision did not need to be made at the meeting and no formal action was taken. A spread sheet was requested with figures to compare. Mr. Halderman would like this information to make a more informed decision. Ultimately option 1 or 3 were given priority.

ENGINEER'S REPORT – WATER:

Engineer's Report – Water

Mr. Lundy reported on the following: Kenley Drive apartments, comments were sent on February 15, 2018, no response was received yet;

Met with Matt and Craig at Dale Summit meter pit site. They reviewed the existing meter vault and the information that Matt gathered on the Mag meter and back flow prevention device were discussed. They will not fit in the existing vault. Recommendation to install meter in the existing vault and have Dale Summit owner put in another vault downstream side to house the back-flow prevention device. They are also going to install 2 10-inch gauge valve boxes on the inlet side of the meter box and the outlet side of the backflow prevention vault. A letter will be sent to Dale Summit on the Borough's behalf outlining everything required.

Dale Summit tenants list was acquired. There are a few tenants there that may be required high hazard. The Authority has the right to know who is on the water system. The Authority should be speaking with Dale Summit Business Partners, regarding tenants. There is rules and regulations that will guide the Authority. A meeting is recommended to go through the tenant list and determine needs and requirements.

Mr. Halderman suggested that when new tenants pursue the space at Dale Summit, that copies of the plans for the tenant's business are forwarded to the Authority so they are aware of who is going into the space.

One item was added at the table. A call was received from John Sepp, P.E. Penn Terra Engineering regarding a proposal next to Kenley apartments - another condo complex. John asked about guidance how the water would should be looped. A prior plan was reviewed a few years back, but nothing ever came of it. This will be reviewed with Matt and Dave. Metering was briefly discussed.

Engineer's Report – Sewer

Mr. Decker reported on the waste water treatment project update. Zoning and building permits have been issued and are in hand. Notice of award was issued to McCrossin and Lepley. There are two items they are waiting on: insurance umbrella from McCrossin and Lepley's certificate is an issue as written in the spec. Mr. _____ does not see a reason to have the certificate. The bonding will be reviewed, and he has already done the language and make sure it all legitimate. Mr. Schrack is being asked to sign certifying that all parties are legitimate signers. He cannot verify that they are. It is a language thing. He will be contacted to see if he wants to revise the language or give an email opinion regarding what he feels comfortable with. He has already reviewed the contents of the agreement prior to bid. Mr. Stewart will reach out to Tom.

It is recommended that approval is given for the contracts to be signed pending getting the two last items updated.

Preconstruction meeting is set up for March 13 at 1 p.m. at the plant.

Spring Benner Walker reached out to them last week and they asked for a copy of the bid docs and the plans. Bob delivered them the same day.

The gravity belt thickener project is done. Contract has been closed out with McCrossin.

OLD BUSINESS:

Small Projects Grant – has been submitted, per Mr. Stewart. The projects suggested are a water line replacement at South Monroe Street and the reservoir check valve that will increase down town water pressure. The total project is \$235,700.

NEW BUSINESS:

Route 144 Bridge Project (JV 27)– Resolution previously approved was questioned. They sent it to the Borough with the Bellefonte Water Authority named and they wanted that corrected to Bellefonte Borough Authority. There were some other minor changes. This can be readopted with the changes.

**Mr. Brown moved to approve and adopt Resolution 03062018-01;
Mr. Falcone seconded the motion;
Motion carried.**

PA Rural Water Association Training Conference coming up the week of March 19, 2018. It is up at the Penn Stater Hotel. Pa. Rural Water website has more information.

Eric Ross, email – proposed legislation regarding how authorities do business and the second page explains having lines under the PUC. It was very expensive when rates

would increase. It talks about other things as well. Mr. Halderman suggested writing a letter to the representatives to oppose the bill.

**Mr. Walker moved to reject legislation amending Chapte 56 of
Municipal Authorities Act;
Mr. Falcone seconded the motion;
Motion carried.**

ADJOURNMENT:

**Mr. Brown moved to adjourn;
Mr. Walker seconded;
Motion carried.**

Meeting adjourned at 6:48 p.m.

Executive Session: Legal