

REGULAR MEETING BLOSSBURG MUNICIPAL AUTHORITY  
JUNE 2, 2020

The regular meeting of the Blossburg Municipal Authority was held on Tuesday, June 2, 2020, at 7:00 PM in the Council Room.

The following members were present: Chairman M. Stoudt, Vice Chairman J. Bubacz, Jr., Treasurer J. Eckman, Secretary S. Hall and member P. Bauman. Also present was George Lloyd, Borough Manager and L. Lazouras, Recording Secretary.

The Chairman called the meeting to order at 6:59 PM.

MOMENT OF SILENCE FOR TOM BOGACZYK

The Chairman asked for a moment of silence in memory of Tom Bogaczyk who had passed away on 5/17/20. Tom was a former Council member and Council President. Donations in his memory can be sent to the William B. Wilson American Legion Post Home #572 on S. Wmsn. Rd.

MINUTES

The minutes from the regular 5/5/20 meeting were brought up for discussion. 1.) P. Bauman wanted to retract his correction. On Page 2, Letter C-Corrective Action Plan, he had said the average is higher than the range. On Page 3, Letter D-error on Exhibit B. Pat noted that he missed the decimal point, so it was really correct. There being no further discussion, a motion was made by J. Eckman, seconded by J. Bubacz, "That the minutes be approved with the retraction, as read." All in favor.

BILLS BE PAID

Unpaid bills for sewer \$19,963.82

Unpaid bills for water \$25,623.08

\*Sewer-Interest new STP loan-when received monthly.

The Chairman noted we are stilling using Pace for testing and asked if we noticed them doing better. The University is still using them after requesting to respond better, which they have done. There being no further discussion on the bills, a motion was made by J. Eckman, seconded by P. Bauman, "That the bills be paid." All in favor.

TREASURERS REPORT

J. Eckman reported a balance in sewer of \$127,006.98 and in water \$54,645.08. There being no further discussion, a motion was made by S. Hall, seconded by J. Bubacz, "That the Treasurer's Report be accepted subject to audit." All in favor.

OLD BUSINESS:

A.) WATER UPDATE

George said they are looking for leaks all the time. They flushed hydrants today up S. Wmsn. Rd. and up to the Rod & Gun Club, which is the main corridor, and it went well. They will do the rest as time allows. Mike asked if they used the new tool and how it worked. It exercises the valves and counts

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the revolutions and does the calculations to know the size on the torque. It really is an amazing tool and saves so much on the boys from doing it by hand before which was labor intensive.

B.) DELINQUENTS

Cheryl printed a list which includes over 60 days. People have been coming in to pay. There was a sale on Morris St. and the lien and legal fees were paid.

C.) INFILTRATION-LETTER TO DEP

A letter was sent 5/7/20. From all the rain we had been getting, from 4/30 to 5/3 it is estimated 3.04 MG was discharged onto the ground. Last Friday we almost had it again as we got 1" of rain in 30 minutes. The water at the pump house was at level, but started going back down so we did not have to pump.

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

RUS is reviewing the application. Work on the design phase is being done by Larson Design and Teddy Kelchner is working on the pump house plans.

E.) TAYLOR RUN-SOUTHWESTERN

F.) CASSELBERRY

George talked with Jim a week ago, and he is working on it. He is doing work on Taylor Run and reviewing the permit for the Sportsman's Well. It was asked if anything is being done with the House property, but not yet.

G.) OLD HOSPITAL

Cheryl called the owner about getting the grass cut as it was about 2 ft. high. If they don't do it, the Boro will do it and put a lien against the property. It was asked if we are owed any money. George said when it was sold at one point; the bills were paid, but will have to check with Cheryl as all owed should be included in the lien. Mike said maybe the Boro should look at the Blight Program. The doors and windows are broken; a lot of people are going in and out of it and have posted pictures on Facebook.

H.) PIPELINE BY TAYLOR RUN

George said one pre-requisite was a preconference meeting and had to be done by teleconference since DEP is not in their offices yet. Scott and George went over everything and we should be able to start work the middle of July. Mike asked about the water tank and Scott said we should be able to do it next year. Site work is being done for the water line to go to the tank. They cut the sand bank back so it will sit back in the hill. They will seed the slopes so the grass will grow for next year. They worked on the footers and will put the dirt back around the tank.

I.) NEW STP

A letter was received from Josh regarding the engineering design and permitting supplement for our review. Additional items came as result of flow data that was received for 2018 after preliminary design had started and results in larger facilities and more extensive improvements to

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the influent pump station and the force main. This was submitted to RUS along with an updated Opinion of Probable Construction cost. They asked for a time line from RUS to complete their review. They will provide a letter to the Engineer to be sent to DEP since they are the hold up in meeting the CO&A schedule. Mike noted the 2018 flows were the highest we had ever seen.

A list of additional work due to changes in meeting the flow and design revision was provided. They request an increase to their design fee and the adjusted amount is \$299,350.00. This is a larger sfp and more pump capacity at the pump house to take care of the large surges of rain water. This means we will not have to discharge water onto the ground.

George had included a page from the PMAA magazine that Josh Fox was honored in a magazine as one of the top young professionals in the construction and design industry through the Mid-Atlantic Region. He is also active in the US Army Infantry.

S. Bray said people are looking for work and he hopes they can get the bids out this month and will be lower than expected. With the additional work needed, we hope RUS will approve and rewrite the loan and/or grant.

#### CULVERT

S. Bray talked with the company building the culvert. It is built, the prep work is to be done by 6/15 and they will set it on 6/18. This company is very good at what they do. We will have to notify DEP and the Fish Commission when the work is going to be done, and they will inspect it. We will do a bypass so the creek doesn't get dirty. It was asked if there were fish in the stream, but we don't know for sure. Ann Hughes from DEP is working from home and Scott has been in contact with her. We will divert the water with our 6" pump and pump it over across the creek.

#### RUS FUNDING

We received a notice from Maribeth at RUS regarding closing the Interim Construction loan for the new WWTP. The line of credit with FCCB is less than \$81,000.00. To keep funds available for the project, she recommends we move forward and close the Interim loan. The interim construction loan is the exact amount of the USDA loan-\$4, 628,000.00. She thinks we will need an interim closing requisition prepared that includes the bank LOC payoff (invoice broken into principal and interest) and attorney fees to close the interim. We are to check the legal services agreement that was previously signed to ensure proper costs. A draft of the closing requisition should be sent to her a week or two before to make sure she agrees with the figures. She should also get a copy of the interim loan documents. USDA is still teleworking and hopes to move through the three phases to get them back in the office. She does go to the office once a week to call and have discussions. Rob from FCCB had Leesa send him copies of some Authority reports for 2019 and 2020 to prepare the documents.

#### J.) BRAY WTP EVALUATION

S. Bray is working on the Pilot Study with the pall membrane through DEP and hopes we can do in the fall.

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K.) BR GENERATOR The work was done by Hunter Lomison and it runs good. All agree this can be removed from the agenda.

L.) BR DAM

George hopes to get the sediment pond back in in late summer. This depends on progress on Taylor Run and the level of water in the creek.

M.) PAINT BR TANK

N.) CYBERSECURITY

Council approved the upgrades in the next quarter. The network switch for capacity upstairs in the building is \$3,500.00 (Meraki). That will be a 3 way split. The \$800 is for the Police wireless in the downstairs. CSR is to do the work. More work will still have to be done later in the year.

NEW BUSINESS:

A.) HRG REQUEST #18-Not received yet.

B.) REPSOL ROYALTY #28-Check was received. #29 statement was received, but not the check. It was noted that the amount of the checks has been dropping. With the Covid pandemic fuel prices have been falling off. The price of natural gas is what drives it.

C.) C&N STATEMENT FOR 4/20-In packets.

D.) INVESTING

J. Eckman, Treasurer noted that we did not invest any more money with FCCB at this time due to interest rates.

E.) INTEREST C&N EZ CD's 4/20 report in packet. Leesa need to print the report for 5/20.

F.) AGREEMENT MANSFIELD BORO

The Attorneys are working on this.

G.) EXCAVATOR

George gave the members information on the Cat and John Deere machines that they went to look at and test. They looked at the reach and digging depth of both. They also looked at the weight lifting capacity. The boys preferred the way the Cat worked. S. Hall asked what would be the heaviest thing we would lift and that would be the trench box we have. Both machines have a warranty on them, and you can extend it for an additional cost. The Cat costs \$188,862.00 and the Deere \$185,818.00, so there is only the dollar difference of \$3,044.00. Both are available in 4-6 weeks from Order date. J. Eckman asked if there was a better resale on either, but George said you could get a good price from either one. A motion was made by S. Hall, seconded by J. Bubacz, "That we purchase the Cat at the price of \$188,862.00." S. Hall asked Mike for a roll call vote: S. Hall-yes; P. Bauman-yes; J. Bubacz-yes, M. Stoudt-yes; J. Eckman-yes.

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S. Hall said we have to decide where the funds will come from. P. Bauman asked if the Boro was in agreement. They do not have money in their budget for this. George had told them we would purchase it and lease it to the Boro on an as needed basis. George had checked around and to lease a machine from someone would cost \$4,500.00 per month. The Boro will need a new loader in the next few years which will be another cost. Council agreed to lease the excavator from the Authority as needed. J. Ogden asked that Attorney Barrett prepare an agreement regarding the lease for future guidelines. We could look at financing the purchase, but do have money in the bank and would not have to spend extra on interest fees." It was noted that we do have money in the Royalties MMI account that is uncommitted. A motion was made by S. Hall, seconded by P. Bauman, "That we purchase the excavator out of the Blossburg Water Co. Royalties MMI." All in favor.

H.) AN AD WAS PLACED IN THE PENNYSAVER TO FLUSH HYDRANTS 6/1-8/31/20 FOR BLOSSBURG AND HAMILTON TWP. When the bill is received, Leesa will bill Hamilton for their share.

All agree this can be removed from the agenda.

I.) GOT \$1,702.80 FROM REPSOL

This is the annual rental lease for the South Mountain driveway. All agree this can be removed from the agenda.

J.) DORN PROPERTY

Information had been sent to the members for property that is for sale that belongs to the Alan and Dawn Dorn Estate, located in Hamilton Twp. near the Ogdensburg Rd. If we were to purchase it we could expand our protection to our watershed. Our current 659 acres at Taylor Run are on one side, one side is State land, and the other three sides are Dorn. The original selling price was \$825,000.00 but was negotiated down to \$800,000. It is 403.32 acres for \$1,985.00 an acre. This does not include any gas and mineral rights that the Estate wants to keep. There is also a cabin on the property. An appraisal was done. J. Bubacz asked if there is timber that can be logged and M. Stoudt walked the property and there is probably \$100,000 worth of timber on part of the land. On our land we already have about the same amount of timber. We need to do better timber management of our property and in the early 90's is the last we did logging. We had Kerry Geykis do a management plan and should follow up on that. From the UTRA map all the water for going north comes from the Taylor Run watershed so it is critical to protect it. UTRA would tie in by Lowe's in Mansfield. S. Hall asked where the access is and it is past the Pirate Rock Road, where there is a pull off and a red gate that goes up the back side of the valley. There is a gas well on the property where we get royalties from. (The other we get royalties from is Johnson's well). Further up at Carpenter Run was some of Dorn's property that Bob Wood bought and developed. There are about 10-12 cabins in there and 3 are permanent residents. J. Eckman would like to have an appraisal done of the timber on the land, which could offset some of the expense of purchase. J. Eckman also said there would be the potential if we wanted to sell part of the land for development. M. Stoudt said we only have to treat TR with chlorine. Bellman Run is surface water with more treatment. We have talked about ground instead of surface water for less possibility of pollution. Bellman is a good source of water and should keep it. We have also talked about the possibility of Arnot coming

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DORN PROPERTY

on our system some time. We don't want any more gas wells near our water source with concerns of contamination. S. Hall said a lot of people lease their land for hunting and if we did that that would be addition money coming in. J. Eckman asked who benefits from buying this land, and Mike said it would be our tax payers as people deserve good water and would benefit years into the future. Jack said it would take a lot of money that we are getting in royalties from the gas companies to pay for it. It was in 1971 we purchased the Water Company. We had no money in water in the past but do now since the big gas companies came in. We cannot comingle our funds, subject to future review. We have to take out a loan for the new stp, and cannot use Water Company property as collateral. Mike said the royalty money will not stop any time soon, so we will still have that continue to come in. Steve said buying the land to help protect our water supply is a future investment, instead of putting the money in the bank to gain interest.

P. Bauman asked if we had any extra sewer money, could we pay off the loan. George said we would have to check the documents but we are dealing with the government. We had to raise our sewer rates to be able to repay the new plant loan.

We will have to spend about a million dollars to put in the new tank and the line.

If we were to take out a loan for the purchase, we would have to pay it back plus interest which would be more than the rate we are earning on some of our investments. We could check into what the interest rate would be if we were to finance through the bank.

The list of our water investments was studied. We have regular CD's, Breakable, and Easy Access with both FCCB and Citizens & Northern. There is also a balance in the Royalties MMI, where the monthly royalty checks are deposited into. These accounts are various amounts, different interest rates and maturity dates. S. Hall said we should use breakable CD's with the least amount of time left before maturing. We should keep the ones with the maximum interest rate we are earning. S. Hall supports the purchase and is comfortable paying for it all at one time. He also said we could pay half and finance the other half until we get the water tank in and paid for. J. Bubacz is in support and would go with either finance method and our first project is to get the tank in as it is needed to send water north. P. Bauman noted that going ahead with the tank and land will mean less in reserves but will still have contingency funds left. J. Eckman would like to look at borrowing rates but S. Hall said if we are only making a 1% interest rate on some of our investing, and the pay back loan would be 3 1/2%, it would be a loss. A motion was made by S. Hall, seconded by P. Bauman, "That we purchase the Dorn property for no more than \$800,000.00." Roll call vote: M. Stoudt-yes, S. Hall-yes, J. Bubacz-yes, P. Bauman-yes, J. Eckman-abstain. S. Hall would rather not have to borrow and P. Bauman said it would be another year before the tank is in. A motion was made by S. Hall, seconded by P. Bauman, "That we purchase the Dorn property with cash on hand and do not finance it. Treasurer J. Eckman to decide what funds to use and go to the bank to discuss our accounts." Roll call vote: M. Stoudt-yes, P. Bauman-yes, S. Hall-yes, J. Bubacz-yes, J. Eckman-abstain.

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NEW BUSINESS:

SELL OLD EXCAVATOR

Since we are purchasing a new excavator, it was asked what we are going to do with the old one. George said we can sell it. A motion was made by S. Hall, second J. Bubacz, "That we solicit bids for the old sewer excavator." All in favor.

REFLECTIVE GEAR

S. Hall passed out an excerpt regarding worker safety apparel on Pa. roadways. He noted our crew did not have safety gear on while working in the road. We do not want to see an accident happen and the Boro be sued. We need to make sure it is available and insist the crew wears it. Jolene had called George today about it and asked if there is a clothing allotment for the crew, but there is not. High visibility fluorescent orange or yellow-green with retroreflective material that meets the American Standard for High-Visibility Safety Apparel and Headwear is required whether day or night. This includes shirts and vests. It is suggested we purchase 5 shirts and one vest for each worker, which can be split between the Borough (if they agree), sewer and water. There are 7 employees and George that work outside. It was asked if it was in the employee handbook, but we would have to look. A motion was made by P. Bauman, seconded by J. Eckman, "That we split the costs of 5 shirts and one vest for each outside worker." All in favor.

There being no further business, a motion was made by J. Bubacz, seconded by P. Bauman, "That the meeting be adjourned at 8:35PM, all in favor.

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CHAIRMAN

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SECRETARY