

MIDDLEBURG MUNICIPAL AUTHORITY

November 10, 2015

Page 1 of 3

MEMBERS PRESENT: Charles Zechman-Chairman, Raymond Colestock, Mike Rhodes, Doug Hassinger, Scott Brouse, Tim Folk

OTHERS PRESENT: Dustin Zechman-Borough Foreman, Heidi Potter, Brian Lauver, Virginia Zeiber-Borough Administrator, Robert Slivinski-Solicitor, Judy Varner, Dave Walters-Engineer

Meeting was called to order at 6:00 P.M.

Motion was made by Raymond Colestock to approve the agenda. Doug Hassinger seconded and MOTION UNANIMOUSLY CARRIED.

Motion was made by Scott Brouse to approve the October minutes. Mike Rhodes seconded and MOTION UNANIMOUSLY CARRIED.

Purchase of nutrient credits-Dave Walters, Engineer, explained that the Authority needs to purchase 266 nitrogen credits for 2015. The price is \$1.50 per credit or \$399.00 for the year. Dave presented an agreement to purchase the credits from Gregg Township, upon approval by the Authority. Raymond Colestock motioned to approve the agreement with Gregg Township and to give the Chairman the authorization to sign it. Doug Hassinger seconded and MOTION UNANIMOUSLY CARRIED.

Developer's agreement- Each Authority member received a copy of a general developer's agreement to review prior to this meeting. This agreement, if approved, is to be used when a developer comes on our water and/or sewer system. This agreement would require the developer to pay for the Authority's Engineer to review their plans. Raymond Colestock motioned to approve the Developer's agreement. Tim Folk seconded and MOTION UNANIMOUSLY CARRIED.

There was discussion concerning the recent review for the proposed Dollar General Store. Ginny is going to bill them for the Engineer's time.

Loan for Well project-Ginny presented loan information from the Northumberland National Bank for refinancing the three RUS sewer loans and combining them into one loan and acquiring a separate loan for the well project construction.

Scenario #1 for refinancing the RUS loans would keep the monthly payment at \$15,000 with the interest savings being \$35,489.69. The 2016 sewer budget cannot support an increased payment. Refinancing these RUS loans would also free up the approximate \$189,000, which is required to be held back for the term of the loans. The interest rate for this loan would be a fixed rate of 2.98% for a term of 10 years. Refinancing would be required at the end of this term at the best interest rate available at that time.

MIDDLEBURG MUNICIPAL AUTHORITY

November 10, 2015

Page 2 of 3

The Engineer asked for approval of a construction loan for the Well Project, which would be a 2.98% fixed rate. If the RUS loans are not refinanced, the rate for the well loan would be 3.15%. Ginny presented figures on a \$300,000 loan for the well project and referred to Scenario #2. This would be a 15 year loan at 2.98%. If the project comes in less, the loan amount would be adjusted. Dave is projecting the well project will most likely come in around \$250,000.

Raymond Colestock motioned to accept Scenario #1 at 2.98% to refinance the three RUS loans, and Scenario #2 at the 2.98% interest rate for 15 years for the Well Project. Tim Folk seconded and MOTION UNANIMOUSLY CARRIED.

LDG REPORT

Well Project-The SWIP testing is to be completed on November 25th and there have been no issues to date. After this testing is complete, the Public Water Supply Permit application will be submitted. The well project is to go out for bid on November 11th. Dustin Zechman, Borough Foreman, stated that Tony Matuchi from DEP is going to come and do more testing at the well site, if the Borough gets one half inch of rain or more tonight. Throughout the testing phase, Tony has been there only once but he is receiving information from the testing monthly.

Dave submitted a Design Change Order in the amount of \$20,000 for LDG because the bidding and administration phase is not covered under the current agreement. It would include four visits to the project site, a preconstruction meeting, two advertisements in the newspaper, advertisement on LDG's website, and three or four contracts on the project, the award of the contract and the issuance of a notice to proceed. In the construction phase, it involves providing two copies of the plans and specifications to the Authority, one copy for Dustin, one for the office and three sets of documents to each contractor. Additional services include reviewing shop drawings, keeping records of the submissions, reviewing payment requests and responding to any questions during the project. LDG will be present during the start up of the well and then during the substantial completion inspection. Scott Brouse motioned to approve the Design Change Order with LDG for \$20,000 . Raymond Colestock seconded and MOTION UNANIMOUSLY CARRIED.

Source metering-According to the Water Allocation Permit, the source meters will need to be installed at the intakes by March 6, 2016. DEP needs to approve the metering plan, which has been submitted to them. The meters are available through COSTARS but are not part of CDBG funding. Dustin will have to order the meters and it will take about three or four weeks for LB Water to get them.

MIDDLEBURG MUNICIPAL AUTHORITY

November 10, 2015

Page 3 of 3

One meter is required in 2016 and that will be put on the West Bowersox intake, but Dave recommends purchasing them all at once and installing them. At present, the meter at the water plant monitors the combined flow from East and West Bowersox and Erb Run is metered separately. DEP is requiring that each source be monitored so a meter will be put on West Bowersox so that flow can be monitored and then subtracted from the meter reading at the water plant, in order to determine the water flow from the East Bowersox intake. Pass by meters will be needed in five years.

The wells at the water plant, which are not being used, are being run off monthly but no testing has been done and no determination has yet been made as to the possibility of making them good water sources. Dustin and LDG will be conferring on the matter to determine if the iron and manganese issues can be addressed because another source of water will be needed to meet DEP requirements.

Easement for well site-Roy Lauder Milch has asked for \$200.00 for the easement to the well project site. Doug Hassinger motioned to approve payment of \$200.00 for the easement. Scott Brouse seconded and MOTION UNANIMOUSLY CARRIED.

Management agreement with Borough- Solicitor Slivinski said he had thought about the copy of the management agreement that had been given to Authority members. It appears the issue is control over the finances. He believes a solution is for the Authority to be given a copy of the expenses for the month and then approve them at the Authority meeting. Another solution in the contract could be that extraordinary and capital expenses all have to go through the Authority. Further dialogue needs to occur between the Authority and Borough Council as preparations are made for a new management agreement to be drawn up.

Repair of sewer manholes- Years back when the sewer system upgrades were done, there was manhole lining done. The lining of six manholes has failed. Dustin is working with LDG, who is working with the contractor who installed the lining. Some will be repaired and some fully replaced. There is a ten year warranty and they are still under warranty. LDG is leaning towards the deterioration being a prep issue from when the project was originally done. The matter will be addressed in the spring when the weather is more suitable.

Motion was made by Tim Folk to adjourn at 7:26 P.M. Doug Hassinger seconded and MOTION UNANIMOUSLY CARRIED.

Beverly Inch
Municipal Secretary