

MIDDLEBURG MUNICIPAL AUTHORITY

November 12, 2014

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MEMBERS PRESENT: Charles Zechman-Chairman, Dwayne Hackenberg-Vice Chairman, Sam Herman, Mike Rhodes, Doug Hassinger, Raymond Colestock, Scott Brouse

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

Meeting was called to order at 6:00 P.M. by Chairman Charles Zechman.

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

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

Don Meredith-Billing minimums for shut off properties-Don Meredith expressed that he felt it was absurd to charge for water and sewer when a property is vacant and the water shut off. The water cannot be used so neither would the sewer. He asked what the minimum bill would be for a home that has the water shut off and the sewer is not being used. The charge would be \$50.05 for water, \$94.00 for sewer and \$3.00 for cleanup for a total of \$150.05. Don then inquired as to the amount of gallons allowed for a minimum, which is 4000. He felt it is not right to bill for water and sewer that is not being used because not using the water and sewer is saving the Authority.

Dave Walters, Engineer, explained that the Authority has fixed costs in operating the plants whether the minimum is used or not. The minimum is established to cover those fixed costs such as debt service, salaries and electrical costs. He also explained this is not an uncustomary practice. Most municipalities are charging as such. Even P P L has a minimum charge that one is billed, even if the electric is not used during the billing cycle. One is actually paying to have the services available for use.

Don asked if he had the water and sewer line dug up and disconnected from the main, would he be billed? Doug Hassinger mentioned that part of the reason for this decision was that people had been shut off but were bringing in buckets of water so the toilets could be flushed and the sewer used. Raymond explained that the minimum billing is for standard costs based on the number of customers on water and sewer. Don asked if when calculating for the sewer plant, if there is any allowance for time in a given year that the Authority may not have all the hook ups. Bev explained that if a property has sewer but no Authority water, they cannot have any shut off or non payment for sewer. They pay regardless.

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Don asked how many people got letters for situations such as his. Bev thought it was four to six and one of the properties is being sold, so the water is back on as of this week. Don did not think that six times one hundred fifty dollars fit into the big operation of the plants. He questioned a property near his home which is delinquent for a number of quarters and nothing is being done about it. Bev explained that the property has been liened.

Ginny explained that if one hundred people decided to shut off the water to their properties, the rest of the customers would have to support the system and they could not. Don believes in that situation, the Borough would declare a disaster area and would get some federal or state funding for emergencies. He does not believe that would happen and it most likely would not but Ginny was trying to explain "supporting the system".

Raymond explained it is for that reason, the sewer system was upgraded to handle more customers. Don asked if the system would handle more sewer and water customers. It was explained the WWTP is in good shape and could handle expansion. Water is not able to handle just any additional amount. It is limited. Don asked if the people who got letters were allowed to use their 4000 gallons per quarter. It is but Scott Brouse felt it should not just be wasted. Don stated he feels it is nickel and diming the few people, who got the letter such as he did.

Water and sewer tap for Bev Loudy-It was explained that Bev Loudy is going to build a detached photography studio at her home on Furnace Road. She has submitted the application and check for water and sewer taps. Doug Hassinger motioned to approve the water and sewer taps for Bev Loudy's photo shop. Dwayne Hackenberg seconded and MOTION UNANIMOUSLY CARRIED.

Wilbur Hain sheriff sale- Solicitor Slivinski reported the sheriff sale paperwork has been filed for the Wilbur Hain property on 27 Dinius Avenue. The writ of execution has been filed but it is not known if the sheriff has issued the papers yet. If Wilbur does not address the matter, the property will eventually be up for sheriff sale. Ginny does not think Wilbur will be found because a tenant is living at the property in question. There is a \$1500 sheriff deposit but whatever of that amount is used up in addressing the matter is added to the amount owed by the property owner.

Roy Laudermilch-land at well site-Solicitor Slivinski is preparing a letter to Roy Laudermilch to inform him of the status of the well project. No additional land will be need to be purchased and the Authority will be settling with him on payment for the land around July or August 2015.

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LDG REPORT

Well Project-An official letter has been received notifying the Authority of the time extension from DCED on the grant for the well. The deadline to have the well in operation is July 2016. There is a November deadline to have the grant funds spent and accounted for.

Dave presented an amendment to the GeoServices contract in the amount of \$29,857.33. This would be Amendment #6 to their contract. It covers mostly work which has been done for additional work required by SRBC in testing the well. The original agreement covered estimated costs for five tasks to be completed as part of the project. Task One thru Three have been completed. Task Four has now been completed, which included getting through the testing of the well. Task Five is completing the hydrological report and is about 95% complete. The majority of the additional costs are related to the further requirements by SRBC. The costs in this amendment will be covered by CDBG funds. The total contract amount now is a bit over \$103,566.61. Not all of that has been spent and Dave does not think it will be. Since 2009 when the project originally started, Dave believes about \$70,000 has been spent. Since there has been a time extension granted, CDBG funds can be used to pay the invoices.

Dwayne Hackenberg asked with all the additional expenses, if the Authority would go over what was anticipated. It seems every time the Authority does a project, there are additional costs. He believes that GeoServices should have been prepared for the materials needed. They had been here to look over the project before they bid it. Dave explained they did not anticipate all the extras required by SRBC. GeoServices did put in the original contract that if additional equipment and work were required by SRBC, they were not included in the contract. Dwayne feels it should have been anticipated. Dave believes that one cannot anticipate what SRBC will require. SRBC does not answer to anyone so they can change things as they go along.

Mike Rhodes asked what the surprises were. Dave explained that GeoServices had to come to town, build weirs in the stream and put in additional monitoring devices. They had to monitor the lake level and the stream near the well property which comes from Kissimmee and empties into Middle Creek. Authority members were most upset about the labor costs of almost \$20,000. Dave explained that SRBC is changing its policies and procedures. LDG has not had to go to this level of detail to get wells permitted in the past. It is all new and Dave believes it has to do with the gas industry and how much involvement SRBC has in it and the involvement of the gas industry and water use involved with them. It is not only with Middleburg but other communities that LDG is working with at present. Dave believes that GeoServices is very reputable. After discussion on where all the added expenses came from, it was decided to ask for an explanation from GeoServices. Solicitor Slivinski stated that he has found that regulation do not necessarily change but the people representing them do with their interpretation and it creates issues. None of this surprises him. He remembered the Middlecreek sewer project being held up about five years because they were being told they had to run the sewer line out to Hummels Gun Shop,

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which involved only about thirty people on that long stretch. It took almost an act of legislature to get that area out of the project. Middleburg was stuck with doing the Kissimmee plant, in order to do its own sewer project. Someone in DEP decided it needed to be done.

Mike Rhodes stated it is upsetting with not only the extra costs but the yield of the well, which has changed since the beginning of the project. Doug asked Dave how sure we are that we will be able to use the 95 gpm yield of the well or will that change? Dave explained that when the wells were monitored at 200 gpm, it was affecting the surrounding properties. When the yield was down to 95 gpm, it did not affect the other properties so he believes 95 gpm will be a safe yield. However, if the well would be run more than 100,000 gallons per day, a permit would be needed and SRBC would then become involved again. Dave believes it is adamant to get the well on line by July 31, 2016 and when the discussion of getting a permit was brought up, SRBC started talking about the other Authority wells. Dave saw a snowball effect and felt it would delay getting the new well up and running. After the well project is complete, LDG will go back and apply for a permit for the increase in the amount of water allowed to be used.

Dave did not ask for approval of GeoServices invoices since the Authority asked for an explanation of the amendment.

Water Allocation Permit renewal-There has been conversation with DEP and SRBC about the permit renewal. There is concern about the 36% of unaccounted for water during the year. The goal is to get it below 20%. Dave believes replacing the meters will help with the unaccounted water but he does not think it will go below the 20%. There may be some stipulation in the permit that the unaccounted water must be addressed. Dustin also said there was a water leak that was hard to locate during the year, which added to the problem.

WTP generator- A preconstruction meeting was held for the water plant generator. Shop drawings have been submitted and approved. The contractor is putting in conduits which are necessary from the generator pad into the building. The rebar has been placed in hopes the weather will be warm enough to put in the pad soon. The generator should be delivered by early January. The plan is to have the pad ready when the generator is delivered.

WWTP-Everything is in place for the nutrient credits, which are needed for the WWTP. Dustin has paperwork which needs to be submitted to DEP.

NPDES Permit-The application for the permit was submitted on October 20th.

Increase in water rates for 2015-Due to a deficit of about \$30,000 in the 2015 water budget, the Council is recommending an increase in the water rates. LDG assisted by running some figures and coming up with several ways in which the Authority could incorporate the increase. One scenario would be to increase the base rate by \$2.00 per quarter, which would create revenue of

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\$7,096.00 per year and an increase of \$1.00 per quarter for the consumptive rate, which would create revenue of \$22,242.20 per year, which would in turn amount to \$29,338.20 in revenue for the year and would make up the deficit. Water rates have not been increased since 2005.

Mike Rhodes asked who was in the meeting when the budget proposal was done. Mike Kerstetter said it was himself, Ginny and Heidi Potter. Sue Kinney was absent. Mike would like things to be done in a more timely fashion next year so Authority members can be present to go over the budget proposals for 2016.

Ginny asked if the Authority is going to discuss the possible increase tonight, if someone is going to represent the Authority, attend the Council meeting and let them know the decision because the budget has to be advertised and adopted before the end of the year. Solicitor Slivinski questioned as to why the Authority budget would need to be advertised. Ginny said that all three budgets are advertised for public comment. Solicitor Slivinski stated the general budget needs to be advertised but not the Authority's budgets, however the Authority's audits need to be advertised.

Any increase in rates would be implemented in the water bill which goes out in January. This would make four quarters of revenue for 2015, which is needed to meet the budget figures. Bev needs to have the bills done by the last day of 2014 for auditing purposes. The increase should be advertised to the public in consideration for them.

Scott Brouse asked what made the deficit for next year. The new meter project is one reason. The meters will not all be done at once but yearly. Engineering and design were not all be covered by the grant funding. Also, a generator is being purchased for the water treatment plant. The meter project for 2015 is a little higher because the commercial meters cost more. The projections also do not include any tap fees, which usually are two or three. After some of these items are addressed, there should be some extra.

Mike Kerstetter informed everyone that the base rate increases proposed were based on the EDU's not the type of account such as residential or business. A consumptive rate increase would be the same for everyone.

After discussion between Mike Kerstetter, who was representing the Council, and the Authority as to how to implement the increase, motion was made by Raymond Colestock to increase water base rates by \$.95 and the consumptive rate by \$1.25 effective for the 4th quarter of 2014, which is mailed out in January. Dwayne Hackenberg seconded and MOTION CARRIED.

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Long/Smith-Dustin Zechman reported that he has not heard from the Smiths, who purchased the George Long property. A letter was sent explaining that the water line had to be moved out of the house, which is owned by the Shockeyes. George says the Smiths are away and the employees are working at the property. If there is no contact in the next few weeks, maybe a letter should be sent saying the water is going to be disconnected.

Expiration of Authority member terms-Raymond Colestock's term on Authority will expire in 2014. Raymond is willing to serve another term. Dwayne Hackenberg motioned to recommend to the Council that Raymond be appointed for another term. Doug Hassinger seconded and MOTION UNANIMOUSLY CARRIED.

Sam Herman's term expires in 2014 also. He does not wish to serve another term. Bev reminded everyone that an Authority member from the township is needed to take Sam's place.

Motion was made by Dwayne Hackenberg to adjourn at 7:38 P.M. Raymond Colestock seconded and MOTION UNANIMOUSLY CARRIED.

Beverly Inch
Municipal Secretary