

**SPECIAL MEETING OF THE WELLSBORO MUNICIPAL AUTHORITY  
AND THE WELLSBORO BOROUGH COUNCIL  
OCTOBER 8, 2010**

**Wellsboro Municipal Authority Members:** Grant Cavanaugh, Dennison Young, Tom Reindl, and Ed Owlett.

**Wellsboro Borough Council Members:** Joan Hart, Mike Wood, Rudolf Scharf, John Sticklin, Terry Bryant, and Mayor James Daugherty.

**Appointed Borough Officials:** Susan Keck, Mark Dieffenbach, and Daniel Brought.

**Solicitor:** Bob Cox

**Engineer:** W. Scott Bray

**Wellsboro Chamber of Commerce:** Mary Worthington.

**Visitors:** John Cox- Rhoads & Sinon, Jack Showers-Shell/East, Sharon Graham and Lori Valentine-Broad Acres, Ruth Brahm-Citizen

**BOIL WATER ORDER FROM DEP;** Bob Cox stated the reason for the special meeting was to discuss the Precautionary Boil Water Order and authorize purchase of 400,000 or 500,000 in sand to bring the slow sand filters up to DEP standards. This would entail going to local banks for an interim 1 year or 18 month, interest only loan or line of credit for the money. A quick way is to have a bank loan the WMA money without the Borough guarantee. This would avoid the Local Unit Debt Act proceedings, which are lengthy. Since we are in a crunch, we could have the WMA pledge to the bank proceeds of any future permanent financing.

We'll ask the banks to loan us money on an interim basis, for one year or so. We would have to pay interest on the loan monthly or quarterly. We'd still have to get permanent financing, but this would be a quick way to accomplish getting the money for the sand.

Sue Keck talked with Dave Henning at Pennvest. Dave Henning stated if the Authority wants to use PENNVEST (around 1% right now) to fund this project we're looking at a new application. The next application cutoff is February 15, 2011, and the corresponding PENNVEST Board meeting is April 19, 2011.

There are Two Options:

1. Apply to PENNVEST with DEP permits in hand for the February 15, 2011, application cutoff. Once you receive a funding award (hopefully at April's PENNVEST Board meeting but no guarantees) you could then bid your project and complete settlement sometime in early Summer 2011.

2. Since Wellsboro is on a Boil Water Advisory the Authority could apply to PENNVEST for a Letter of No Prejudice. Once the Authority obtains the Letter of No Prejudice approval they could then proceed with construction. There is a risk in that for whatever reason PENNVEST is unable to fund the project in the future the Authority would likely need to move forward with other financing that would most likely result in a much higher interest rate.

Dave did speak with Bethany Shrodo, the DEP PENNVEST Project Manager, and concurred that, based on the current ranking criteria, a system under a boil water advisory would most likely receive a moderately high ranking.

Step 1. Contact Dave to confirm the Authority's wishes to request a Letter of No Prejudice. At that point we would schedule a planning consultation meeting either in the field or by conference call.

Step 2. Start a new PENNVEST funding application. The application only needs to be completed up to point where you request a planning meeting. (PENNVEST has a new application system and that system prompts you to request a meeting).

Step 3. Work with your financial professionals to develop a plan to interim finance the project. Key requirements - term has to be less than 59 months and no prepayment penalties. We will need a copy of the executed financing agreement with the Letter of No Prejudice request form (Attachment A). Once an interim financing plan is chosen the Authority will need to send PENNVEST a reimbursement resolution. Dave sent the templated reimbursement resolution for your use.

Step 4. Decide if you are going to hire a contractor to do this work, or if the Authority would rather just buy the materials and the water system staff perform the labor. PENNVEST requires, regardless of the source of funds, approval from DEP on the DBE solicitation efforts (formerly MBE/WBEs - applies to both borrower and contractors). PENNVEST can not issue the Letter of No Prejudice approval until DEP issues a notice to proceed for all contracts. Note: this means you have to have bids in hand when you submit your request for a Letter of No Prejudice. I recommend that you contact either Monique Pollard or Linda Nguyen for the latest DBE Guidance document.

Step 5. With respect to a Letter of No Prejudice an interesting dilemma occurs. Since majority of the money that PENNVEST has to issue is federal money the Authority as a minimum should include in their bidding and project requirements federal Davis Bacon Wage Rates.

Scott Bray:

DEP requires thirty inches of sand. DEP measured the sand depth of the sand filter #1 and found we have 18 inches. When we constructed the filter there was a minimal amount of compaction. When DEP measured they measured the compacted, wet sand. We need a minimum of 30 inches to meet requirements. We would be wise to go for 36 inches to give a cushion and scrape and re-sand and monitor what 36 inches turns into after compaction. DEP suggested these measurements be taken.

If we get sand right away we could turn a Slow Sand Filter around, once drained, and could refill it in two weeks. But forty thousand wouldn't make one Slow Sand Filter meet the specifications. Circumstances depend greatly on weather for the ripening process. The Biology of the sand gets disturbed when you add new sand. Colder weather makes it harder to ripen.

Terry Bryant questioned the Keck Well plans.

Scott Bray addressed the question: If we permit the Keck Well, we will have to permit all of Brownlea and risk restricted use there. We currently scramble to provide water in dry weather, so if surface water gets eliminated or reduced in Brownlea, we'll have to continue to rely on Hamilton Lake. If we get a hydro on board and meet with the SRBC, we can move forward with the Keck Well. But the issue today is getting sand in place. We can move forward with getting sand and Mark has the trackhoe on order.

If we do the small filter first, and we can be in position quickly to do that, then we can take the other one down. Use the 500,000 as a median figure. We have 40,000 worth of sand already budgeted. We may be able to short track the process; ripen both at the same time.

DAN BROUGHT: The water quality is good now. We'll need a minimum of 14 days to do the small filter, then go right ahead and do the large one. We're on boil anyway.

BOB COX: What we need to do is to get an okay to move forward to get a loan/financing started immediately.

JOHN STICKLIN: We've kicked the possibilities around; we need to go get a borrowing in place until we can get permanent financing.

Advertise both WMA and WBC Special meeting Friday, October 15, at 2:00 p.m. We take action on proposed refinancing of long-term debt and to take action on proposed financing in connection with the slow sand filter. And such other business as may come before the Council or the Authority.

The motion was made by Council Member Sticklin and seconded by Council Member Scharf to go ahead with obtaining financing options, this was approved unanimously by council present.

The motion was made by Authority Member Reindl and seconded by Authority Member Owlett to go ahead with financing options, this was approved unanimously by Authority Members present.

Meeting adjourned

Minutes taken by Susan Keck