

**WELLSBORO MUNICIPAL AUTHORITY WORKSHOP
MINUTES
FEBRUARY 26, 2010**

Bob DeCamp presided over the workshop of the Wellsboro Municipal Authority on February 26, 2010 in the Council Room of the John E Dugan Fire Station/Municipal Building.

ATTENDANCE: Municipal Authority members: Robert DeCamp, Ed Owlett and Denny Young, Council Members: Rudy Scharf, John Sticklin, Terry Bryant, Engineer: Scott Bray, Superintendent of Public Works: Mark Dieffenbach, Superintendent of the water & sewer plants: Dan Brought, Solicitor William Stokes, Secretary/Treasurer Sue Stephens, Kim Miller from Northwest Bank, Carl Chambers from C&N Bank.

FINANCE DISCUSSION: With the figure of \$250,000.00 in mind Scott reviewed why we need \$250,000. as follows: The WMA owes \$101,987.83 to PENNVEST as the remaining commitment of local match for the PENNVEST loan. That payment period was extended for another quarter at our request; and now has verbally been approved by PennVEST to extend to mid-April because of the March Pump Test and Moody's billing occurring shortly after March. The just received Moody invoice of 31,698.81 needs to be paid for the Step Test already completed, plus there will be a like amount for the 72 Hour Pump Test charges. Add to that monthly operating expense for one year, (Cox & Stokes, Scott Bray, etc.)

\$101,987.83	PENNVEST
\$ 63,397.62	Moody
<u>\$ 60,000.00</u>	estimates 5000 x 12 months.
\$225,385.45	

This will leave \$24,614.55 for the new source sampling, permit fees, and what fees would be associated with the borrowing. As an estimate, the Borough borrowed a like amount and paid lawyers fees in the amount of \$4,000.00, so New Source sampling has been quoted at less than \$2,500.00 through Seewald Laboratories

MARK DIEFFENBACH explained that there are protocols needed for grabbing samples. We can call Seewald to obtain these protocols. DEP will be there and draw there own split sampling for the Pump Testing.

SCOTT BRAY: Then we'll get the Moody report and data on the yield from them. We look, review, analyze, and approve it. When we get their report we could tell them to stop any further work for the Municipal Authority; no SRBC or other negotiation by Moody .

Years ago Larson Design Group did the consent order for Brownlee and hired Moody then Moody never went home! We could write a letter to Moody and let them know we need to stop work because of financing concerns.

There are still 6- 8 months of running the well and sending samples and testing at 250,000 gpm. We can't get permitted by SRBC to sell that water, yet. We'll have to have electric at the well (comes across 287 from old asphalt lot) and pump has to be purchased for that well. Then DEP's Hydro said SRBC would come back and go to Brownlee if we permit the Keck well and possibly have to permit the surface water intakes too. Then we'll have to have a pass by: Net yield may be we only make up with the Keck well what we lose from the surface water. SRBC is an arm of the Federal Government. They may let us have a payment plan even though we've had these permits from the 1920's. They'll look at all yields from wells and surface water. As time has gone by these rules have changed. Some places have had to cut yield to satisfy SRBC. With water, if you take so much, you have to give so much into the stream. So we take care of these tests and stop before we commit to anything else. What if the well was a different entity "Stokesdale Municipal Authority" or something?

Or we could exercise our options:

Option A. Pursue (through Solicitor) bank financing of a \$250,000.00 loan or line of credit for one year, paying interest only. Pay interest with Borough's Water Rainy Day Fund.

Option B. Use savings accounts to fund this need;

1. WMA CD at 1st Citizens: \$ 58,372.73
2. WMA Timber Mgmt CD: \$ 90,881.50
3. Borough Rainy Day Fund \$ 76,083.67
\$225,337.90

Referring to the Borough Rainy Day Fund, Rudy said: 'If we use this we have no fall back (or we could use just a little bit)'

Option C. Use Carl Chambers (or like) scenario for long term financing.

1. Consider appointing representative to contact legislators on selling water.
Problem is they won't let us sell it until it's permitted

A motion to pay the outstanding Moody invoice from November was made by Ed Owlett, seconded by Denny Young and passed.

Scott: We could have Moody give us a report and their data then cut them loose and assess the situation. Maybe go to another hydrologist to get project prices to move forward.

We have a contract for a 72 hour pump test with Moody then our contract is over. We will also do Seewald testing for new source. We then know yield, quality, treatment needs, but we don't know till the pump tests results are in.

A motion was made to prepare the following letters by Ed Owlett, seconded by Denny

Young, and carried unanimously.

One letter should be addressed to PennVest saying that the Borough requests an extension to 60 days from the end of March, which is reasonable amount of time to get all invoices from the testing in.

A second letter should be addressed to Moody: The Borough of Wellsboro needs the report 30 days after pump test to comply with PennVest requirements. We'll need your report and bill by April 15th, 2010. When we receive your final bill we'll be able to go to the bank to negotiate short loan.

A copy of Moody's letter should be attached to the PennVest letter.

Results from Moody and water quality analysis will come soon after pump test. The executive summary will have the yield and that's what we need.

We could also talk about leasing the well to gas drillers to make some money.

Bob DeCamp thanked the Banks for attending.

Adjourn 2:13 P.M.
