

WELLSBORO MUNICIPAL AUTHORITY

July 21, 2015

The meeting of the Wellsboro Municipal Authority was called to order by R. Robert DeCamp on Tuesday, July 21, 2015 at 4:00 p.m. in the Council Room of the Borough Office at 14 Crafton Street. The Pledge of Allegiance was said by all who were present.

ATTENDANCE: Wellsboro Municipal Authority Members R. Robert DeCamp, Ed Owlett, Tom Reindl, Denny Young, and Grant Cavanaugh.

OTHER'S PRESENT: Councilor Joan Hart, Borough Manager Daniel K. Strausser, Secretary/Treasurer Susan L. Keck and Terry Bryant.

MINUTES: Minutes of the June 16, 2015 meeting were approved by motion of Grant Cavanaugh, seconded by Ed Owlett, and carried unanimously.

GAS ROYALTY PAYMENT REVIEW: The WMA received a total of \$71,760.70 in three Gas Royalty payments. We'll use a third of that; \$23,920.00 for paying down of the loan at Citizens & Northern Bank and a third of every check hereafter will also be toward paying down of the loan. This was made a motion by Ed Owlett, seconded by Grant Cavanaugh and carried unanimously.

RESOLUTION FOR GUIDELINES FOR USE OF GAS ROYALTY FUNDS: Ed Owlett made a motion to adopt Wellsboro Municipal Authority Resolution Number #2015-01 stating guidelines for use of Gas Royalty Funds. Grant Cavanaugh seconded the motion and it carried.

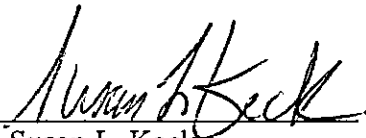
ROUTE 6 WATERLINE REPLACEMENT: The project is going well. When moving the first hydrant it was discovered the valves had rotted away. The repair entailed two separate two hour water service interruptions. New hydrants are being put in.

GAS LEASE ON OTHER MUNICIPAL PROPERTIES: Shell has inquired about the Authority's 340 acres which is not connected to the water field nor of any use to EQT. We will hear more about this at a later date.

BILLS: A motion was made to pay bills by Tom Reindl, seconded by Denny Young, and carried unanimously.

ADJOURN: Adjourned at 4:27.

Minutes respectfully submitted by


Susan L. Keck

**WELLSBORO MUNICIPAL AUTHORITY
TIOGA COUNTY, PENNSYLVANIA**

RESOLUTION NO. 2015-01

**A RESOLUTION OF THE WELLSBORO
MUNICIPAL AUTHORITY, TIOGA COUNTY,
COMMONWEALTH OF PENNSYLVANIA,
ADOPTING AND IMPLEMENTING
GAS ROYALTY USAGE GUIDELINES.**

WHEREAS, Wellsboro Municipal Authority owns, among other things, a domestic water supply system, and related appurtenances, and a waste water treatment facility and collection system, and related appurtenances, and it leases these facilities back to the Borough of Wellsboro; and

WHEREAS, Wellsboro Municipal Authority has entered into two leases with the Borough setting forth the terms and conditions on how the water and sewer facilities will be operated; and

WHEREAS, the Authority operates for the purpose of designing, planning, constructing, and facilitating upgrades and initiating new capital additions to the Waste Water Treatment System and the Domestic Water System; and

WHEREAS, the Authority, from time to time, anticipates that it may receive royalties from a gas lease it entered into with EQT; and

WHEREAS, the Authority desires to set forth guidelines for the use of gas royalty proceeds in the furtherance of its mission in facilitating capital projects and for providing proceeds to the Borough in the event that extraordinary repairs are needed.

NOW, THEREFORE, BE IT RESOLVED, by the Board of this Authority, as follows:

1. The foregoing recitals are incorporated herein by reference.
2. The definition of Extraordinary Repairs shall be as follows:

- A. "Extraordinary Repairs" shall mean alterations, repairs, renewals, improvements and/or replacements with respect to the Water/Sewer System which are necessary or desirable for proper operation and maintenance thereof and which are of a type that would not ordinarily be made by the Borough, out of money deposited in the Water/Sewer Revenue Account, as current Operating Expenses, as determined by a Consulting Engineers' Certificate.

3. Any gas royalty proceeds received by Wellsboro Municipal Authority shall be put in a savings account, and as determined by the Authority, may be used in accordance with the following guidelines:

- A. Funds may be used for the purpose of extraordinary repairs, capital additions, or funding projects as approved by the Board of Directors of Wellsboro Municipal Authority.
 - B. Funds may be used to make principal payments on current debt obligations.
 - C. Funds may be used for capital additions and improvements as follows: upgrade electronics on current wells; update current technology to save employee hours; update security measures; replace deteriorating well houses; improve leak detection monitoring; and upgrade and/or replace old and deteriorating equipment.

4. As per the current lease agreements, extraordinary repairs and capital additions shall be implemented as follows:

- A. If the Borough shall deem it necessary or advisable that Extraordinary Repairs should be made to the Water/Sewer System or that Capital Additions should be acquired or constructed with respect thereto, it may request the Authority to provide money for all or part of costs thereof. Any such request shall be in writing, shall be signed by the President or Vice-President of the Borough Council and the Secretary or Assistant Secretary of the Borough, shall set forth the amount requested and shall be accompanied by:

- (1) A Certified Resolution of the Borough authorizing the request for funds and stating that such Extraordinary Repairs or Capital Additions, as the case may be, are necessary or desirable to

preserve, develop and improve the Water System or to maintain adequate service to the public; and

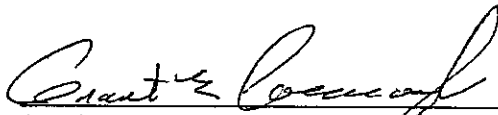
- (2) A Consulting Engineers' Certificate setting forth:
 - a. That such Extraordinary Repairs or Capital Additions, as the case may be, are necessary or desirable to preserve, develop and improve the Water System or to maintain adequate service to the public;
 - b. Estimated costs of such Extraordinary Repairs or Capital Additions, as the case may be;
 - c. That all or part (in which latter case the amount shall be stated) of costs of such Extraordinary Repairs or Capital Additions, as the case may be, cannot be paid from the Water/Sewer Revenue Account, exclusive of the reserve fund established therein, without adversely affecting the ability of the Borough to perform its obligations hereunder; and
 - d. If such request shall relate to Capital Additions, the estimated effect upon annual Operating Expenses and annual operating revenues of the Water System.


B. Upon receipt of a request of the Borough, accompanied by required documents as provided above, the Authority may, in its sole discretion and option, requisition amounts so requested, to the extent available, from the appropriate Fund or Funds established under the Indenture or may, in its sole discretion and option, provide all or any part of the amounts requested.

DULY ADOPTED and RESOLVED, by the Board of the Wellsboro Municipal Authority in lawful session duly assembled this 16th day of June, 2015.

ATTEST:

WELLSBORO MUNICIPAL AUTHORITY
Tioga County, Pennsylvania


(Assistant) Secretary

By: 
(Vice) Chairman

(SEAL)