

**COUDERSPORT BOROUGH AUTHORITY
REGULAR MONTHLY MEETING
JANUARY 15, 2015
6:32 PM**

The Coudersport Borough Authority held their regular monthly meeting on Thursday, January 15th, 2015 at the Maintenance Facility on Damascus Street.

Vice Chairman Marty Fry called the meeting to order at 6:32 pm

ROLL CALL

Present at the meeting were members Marty Fry, Phil Hershey, Andy Dubots, and newly appointed member Mark Peet. Also present at the meeting were Solicitor George Stenhach, Pat Ward, Bev Morris, Gareth Gockley and Elizabeth Hensel.

One visitor present was Mark Stephens, Geologist with the DEP from Williamsport, PA. He attended the meeting on behalf of the Triple Divide Water Coalition to present to the authority a proposal to apply for a grant in order to install water conductivity meters at their treatment plants.

REORGINIZATION

It was discussed that Chairman Bill Krog (not present) would no longer like to hold the position of Chairman. It was motioned by Phil Hershey, seconded by Andy Dubots to amend Bill Krog as Chairman to Vice Chairman and appoint Marty Fry from Vice Chairman to Chairman. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

It was motioned by Phil Hershey, seconded by Andy Dubots to keep existing slate for auditor. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

It was motioned by Phil Hershey, seconded by Andy Dubots to keep existing slate for solicitor. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

It was motioned by Phil Hershey, seconded by Andy Dubots to keep existing slate for engineer. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

It was motioned by Phil Hershey, seconded by Andy Dubots to keep existing date and time for monthly meetings. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

VISITOR PRESENTATION

Geologist from the Pennsylvania DEP, Mark Stephens, presented on behalf of the Triple Divide Water Coalition, a proposal to consider applying for a grant to install water conductivity meters at our local treatment plants. The same proposal is being presented to a total of 30 treatment plant locations in both Potter and Tioga County. It was explained that if the authority chooses to participate, the Potter County Education Council has offered to apply for the capital equipment expenditure grant. It was suggested that

due to water quality changes, whether surface or ground, and the unexpected changes that affect supply, this system, which involves installing a 6 inch probe in the raw water piping at each facility, would read conductivity levels therefore notifying the water system before reaching customers. He states that instead of depending on the customer to notify us when an inconsistency in their water supply arises, this allows for due diligence and it demonstrates dependability of water quality. The proposed cost is \$72,375 which will be divided amongst the participating systems, as well as 15 percent will be matched with the grant. Each unit costs \$3,2000 which includes the probe, data logger, and meter. The deadline to submit a support letter is February 1, 2015.

After the presentation Mr. Stephens answered questions posed by the authority, solicitor and engineer regarding warranties, obligations if they participate, what company provides the instruments, and longevity and durability of the meters.

After further discussion it was motioned by Andy Dubots, seconded by Mark Peet to send a support letter before the February 1 deadline, but to remove any verbiage in the example letter obligating them to participation. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

After discussion of authority members current pay and whether it should be adjusted, it was motioned by Andy Dubots, seconded by Mark Peet to raise each members payment for monthly meeting attendance to \$75. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Marty Fry Yes and Phil Hershey No. Motion carried and will take effect in February 2015.

APPROVAL OF MINUTES

It was motioned by Andy Dubots, seconded by Mark Peet to approve the December 18, 2014 meeting minutes. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Marty Fry Yes and Phil Hershey chose to abstain due to not being present at the December meeting. Motion carried.

SOLICITOR REPORT

Solicitor suggested further discussion regarding participation of proposed water conductivity system be deferred until February meeting. He discussed the four municipal liens that were filed in detail and answered questions regarding potential further action for nonpayment.

TREASURERS REPORT

It was motioned by Phil Hershey, seconded by Andy Dubots to approve the Treasurers Report for January as presented. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

MANAGERS REPORT

It was motioned by Phil Hershey, seconded by Andy Dubots to pursue having two separate expert foresters research the 25 acres before surveying. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

It was motioned by Phil Hershey, seconded by Andy Dubots to approve Uni-Tec Engineer, Pat Ward, to assist Gareth Gockley with facilitating the reporting of records be made current. Roll call taken: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion carried.

ENGINEERS REPORT

I. Requisition No. 15-01:

A. The requisition total is as shown in the Requisition Summary table below.

Requisition Summary					
Item Number	Payee Name & Address	Invoice Number	Invoice Date	Purpose Obligation Incurred	Amount to be Paid
1	Uni-Tec Consulting Engineers, Inc.	1000033988	1/8/2015	Meeting Attendance	\$ 175.00
TOTAL AMOUNT TO BE REQUISITIONED:					\$ 175.00
Note: The purpose of these requisitions is for record-keeping only – no loans are outstanding					

IT WAS MOTIONED BY PHIL HERSHEY, SECONDED BY ANDY DUBOTS TO APPROVE REQUISITION NO. 15-01 IN THE AMOUNT OF \$175. ROLL CALL: MARK PEET YES, ANDY DUBOTS YES, PHIL HERSHEY YES, MARY FRY YES AND 0 NO.

II. Engineering Services Calendar Year 2015

Uni-Tec Project No. 0012-001-001

Uni-Tec has been grateful for the relationship we have had with the CBA. We are entering our 27th year as the CBA consulting engineer. We are very interested in continuing on as the CBA consulting engineer in 2015 and we respectfully request that the Board grants us that opportunity.

With regard to our services for 2015 Uni-Tec will not have any increases in our rates and charges which have not been increased since 2011.

Thank you and I look forward to the opportunity to serve CBA in 2015.

III. Seventh Street Water Main Replacement Project (CDBG Funded)

Uni-Tec Project Number 0012-104-000

No change since the November 2014 Board meeting. We are waiting to hear from the County as to when grant funds will be made available to replace the water line. We understand that the County is committed to awarding grant money to CBA.

RECOMMENDED BOARD ACTION: No action recommended at this time.

PENNDOT Main Street SR0006 Relocation Project

Uni-Tec Project Number 0012-089-000

A. Commonwealth Financing Authority (CFA) Grant Portion of Relocation

Uni-Tec Project Number 0012-089-002

At the December Board meeting there was considerable discussion about the financial benefit of CBA moving ahead with the portion of the project that was bid or putting this work under the PENNDOT project. PennDOT, using information I provide to them has concluded the following as excerpted from an email from Thomas Zurat of PennDOT:

“.....The best thing they could do (CBA) is to cut the first project as close to \$100,000 as possible and add the rest to our project. That would use up the \$100,000 that they got with no cost to them on that and they pay 25% of everything else.”

The full content of the Zurat email is attached. Zurat may not understand that you have \$110,000 in grant and that you must spend an additional 15% above the grant amount.

Here is how I would modify the PENNDOT recommendation for the CFA project:

1. Funds that must be used to meet grant requirements:

a. Funds from CFA	\$110,000.00
b. CBA required match of 15%	<u>\$16,500.00</u>
c. The minimum project size to use all grant money is	\$126,500.00

2. Actual Project Costs using base bid:

a. Base bid from Masters Excavating is:	\$115,503.32
b. Uni-Tec Bid Award Engineering Fee	\$4,000.00
c. Uni-Tec Construction Engineering Fee	<u>\$6,000.00</u>
d. Total Actual Estimated Cost	\$125,503.32

3. Additional Grant Match Requirements

a. Use Uni-Tec design to meet minimum	<u>\$996.68</u>
b. Actual Project (Grant) Cost	\$126,500.00

Note: in the above example CBA would have contributed out of pocket \$16,500.00 less (75% of \$996.68 or \$747.51) = \$15,752.49 or about \$36/foot of water main. This is an extremely good price for the project and is better than the out of pocket that could be achieved using the PENNDOT 75/25 program.

CFA allows CBA to use engineering design costs for match. And it does not matter if the engineering ultimately is fully or partially paid for by PENNDOT. So PENNDOT plans on paying 75% of engineering design costs which is why line 3.a is only 25% of the actual allocation as far as the out of pocket component.

Another angle to this would be if PENNDOT approved this portion of the work to be included in the PENNDOT reimbursable portion of the project then the possibility exists that the CBA out of pocket portion could be even less, possibly making the CBA portion \$0.00.

We can consider a number of other scenarios at the Board meeting but it seems clear to me that the best bet for CBA is to move forward with the project as bid.

RECOMMENDED BOARD ACTION: Award a construction contract to Masters Excavating, LLC for the Base Bid plus Alternate Bid

IT WAS MOTIONED BY ANDY DUBOTS, SECONDED BY MARK PEET TO ACCEPT MASTERS EXCAVATING, LCC BASE AND ALTERNATE BIDS FOR A TOTAL OF \$141,462.12. UNI-TEC WILL NOTIFY MASTERS THAT THEY HAVE BEEN AWARDED THE BID. ROLL CALL: MARK PEET YES, ANDY DUBOTS YES, PHIL HERSHEY YES, MARY FRY YES AND 0 NO. SOLICITOR GEORGE STENHACH ALSO APPROVES THE BID CHOICE.

B. PENNDOT Funded Portion of Relocation
Uni-Tec Project Number 0012-089-001

There has not been any action on this portion of the project since my last Board report. As a reminder I restate the following:

There are two pertinent water line related issues and PENNDOT's willingness to fund certain aspects of the project. They are as follows:

1. The Chestnut Street portion of the water main that has been bid under the CFA grant program has not yet been accepted by PENNDOT into their project.
2. Throughout the entire project the new main being placed is 8" diameter. The old main is 6" diameter. PENNDOT may not be willing to pay for the increase in diameter of the main and therefore may decide to contribute less than a full 75%. Solicitor Stenhach is working on a solution to this issue.

The project schedule remains for PENNDOT to bid the project in late 2015 for

construction in 2016. There remains some debate as to whether the project can be built in one year. PENNDOT continues to analyze this.

RECOMMENDED BOARD ACTION: No action recommended by Uni-Tec at this time.

North Well No. 1 Iron Treatment

Uni-Tec Project Number 0012-070-000

No change since the December Board meeting. Coudersport Area Municipal Authority (CAMA) has agreed to accept the waste discharge from the North Well No. 1 iron treatment cleaning and maintenance program. All that remains now is for Gareth to coordinate with SubSurface Technologies and CAMA to get the work done. This work can be done at the convenience of Gareth as he monitors the water quality in the well and best knows when the cleaning should occur.

RECOMMENDED BOARD ACTION: Direct Gareth to proceed with the well cleaning on a schedule he establishes.

IV. Leak Detection Program

Uni-Tec Project Number 0012-103-000

No change since the April 2014 Board meeting. A leak detection program is important for CBA to initiate and to make part of regular operational activities. At the April 2014 Board meeting I recommended not starting this program until CBA has time to sort out its workload and staffing needs.

RECOMMENDED BOARD ACTION: Act on this only after staffing issues have been addressed or until other means to implement are put in place.

V. Timbering

I had occasion to speak with a couple of timbering companies recently and they told me that prices are good right now. This may be worth consideration on the revisiting the timbering of the Authority timber reserves.

VI. Update on Items of Interest to the Authority

I emailed the following news article yesterday but thought I'd include it here as well.

Selling a water authority to a private entity.

In New Jersey, a controversial new bill illumines a quiet-but-steady trend: municipal water privatization.

Optimistically titled the “Water Infrastructure Protection Act,” the bill, which passed the state’s Assembly on December 15th, points to aging water systems that are supposedly so deteriorated they are “beyond governmental capacity to restore.”

“It is in the public interest that public entities have the option to transfer, lease, or sell water and wastewater assets if there exists emergent conditions that threaten drinking water or the environment,” it states.

But according to a slew of critics, including D.C.-based Food and Water Watch, the New Jersey State League of Municipalities and the state’s Division of Rate Counsel, the Protection Act doesn’t really fall under the category of public interest — because it excludes the public. Currently, any municipality that wishes to sell its system has to go to the voters first through a ballot measure. That requirement would be nixed under the current proposal, and would make the state similar to Illinois, Pennsylvania and California.

Whether help or harm for local ratepayers, this likely is not the last bill of its kind. Right now, private water companies serve about 15 percent of the U.S. population, but that number could soon skyrocket thanks to several new federal laws and an investment gap of as much as \$500 billion over the next 20 years. However, even as private water IOUs eat up an increasing chunk of the U.S. market, water infrastructure’s decentralized nature — owned and operated by thousands of local municipalities, tied to each individual watershed — means that little national data exists. When bills like New Jersey’s stir controversy, local media is often forced into he-said, she-said coverage, without much information on how privatization will actually affect the local system.

Here, then, is a roundup of the facts, figures, studies and articles that do look in-depth at the topic, arranged around the common themes you’ll hear in a public meeting or read in the local paper when system privatization comes up.

The Numbers

Privately owned water systems serve close to 50 million customers, with investor-owned utilities making up more than two-thirds of that market according to advisory firm Bluefield Research. American Water has the largest customer base, followed by United Water, Aqua America, California Water Services and American States Water. California, New York, Texas, New Jersey, Pennsylvania and Florida tend to be especially attractive to private water suppliers because of their large populations and state-level policies.

The Cost Factor

One fear often repeated by privatization critics is that it will raise rates — and some evidence does bear that out.

According to a [state-by-state cost comparison](#) from Food and Water Watch, the average household water bill for a private water utility customer is 33 percent higher than its public counterpart.

A [comprehensive meta-analysis](#) from the Association of Public Policy Analysis and Management didn't find that high disparity, but did counter the widely marketed notion that municipal water privatization increases system efficiency while lowering costs. Analyzing dozens of empirical studies (some from as far back as the '60s) it found that results have been mixed for utilities bought by private companies, with recent acquisitions showing less cost savings. Unlike the Food and Water Watch comparison, the paper looked at utilities both in and outside the U.S.

The Quality Factor

Advocates for water privatization tend to downplay rate increases. Often their logic, captured in this *Wall Street Journal* [article](#), is that water infrastructure (some of it [a century old](#)) desperately needs investment — and someone needs to pay.

So does the quality of infrastructure increase when an IOU takes over a crippled system, as privatization advocates often claim it will?

Again, the answer is difficult to measure with ratepayers spread across [100,000 systems](#).

Food and Water Watch [claims](#) that 16 percent of privately held systems reverted back to public ownership between 2007 and 2011, with quality a top complaint. However, The Pacific Institute [has analyzed](#) private and public systems in Illinois, Indiana, Ohio and elsewhere to assess quality and effectiveness, and, echoing the *Wall Street Journal*, its report does acknowledge chronic, long-term under-investment as a top problem. However, the report concludes that privatization is not a “silver bullet” for these costly issues — public, private and public-private systems can work effectively if they're properly staffed and funded. Often, some form of competition, even measuring staff performance and rewarding effort, is present in successful agencies, the report found.

The Equity Factor

Perhaps the most troubling aspect of water privatization is how it can disproportionately impact low-income ratepayers. This can come from steep cost increases as well as the manner in which certain states regulate their water systems.

In California, for example, each municipality can only pay for its own system under state law. The reason is that water infrastructure is inherently local — tied to each regional watershed. So unlike electricity, where increases are spread across a large, statewide base, rates to fund broken pumps and pipes are much higher in smaller towns and cities, many of which also have the high poverty rates you would expect to contribute to neglected municipal systems. In reporting in-depth on [these rate hikes in California](#), I saw bimonthly residential bills as high as \$600 — four times the rate of neighboring public municipalities — in areas where people lived only on fixed incomes.

Some organizations do offer [low-income rate assistance](#) with this problem in mind. However, it's often a small, [double digit sum](#). California newspapers cover stories of people [selling their cars](#) and [skimping on medical care](#) in areas with private systems.

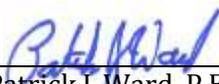
The Works is made possible with the support of the [Surdna Foundation](#).

Rachel Dovey is an award-winning freelance writer and former USC Annenberg fellow living at the northern tip of California's Bay Area. She writes about infrastructure, water and climate change and has been published by Bust, Wired, Paste, SF Weekly, the East Bay Express and the North Bay Bohemian.

Please call me at the office 888-238-8223, ext 323 or at my cell number of 814-571-2867 if you have questions about this report.

END OF REPORT

Submitted by: _____


Patrick J. Ward, P.E.

Distribution: CBA Board Members

George Stenhach, Esq, CBA Solicitor

Beverly Morris, Coudersport Borough Authority Manager

Louis Karija, Director of Public Works

Gareth Glockley, Chief Water System Operator

Holly Hyde, Recording Secretary

John R. Segursky, P.E., Uni-Tec

ATTACHMENT ZURAT EMAIL

Zurat Email:

From: Zurat, Thomas

Sent: Saturday, January 03, 2015 10:53 AM

To: Kipp, David B.

Subject: RE: CBA Route 6 Bids

Dave,

I looked this over and here is how I see it. If you add the low bidders 8" PVC line and the make the trench backfill a LF item, you get about \$108/lf. That is pretty comparable to the St. Marys bid. If you take the pavement restoration out of their bid, you have about \$85,000. Our cost sharing of 75/25 would leave about \$21,000 for the Borough to pay. Doing it this way, they will pay \$15,000. Now if you add the additional work and take out the pavement restoration, their share would be about \$26,000 but if they do it themselves, it will cost \$41,000.

The best thing they could do is to cut the first project as close to \$100,000 as possible and add the rest to our project. That would use up the \$100,000 that they got with no cost to them on that and they pay 25% of everything else.

Thomas J. Zurat Jr. P.E. | District Portfolio Manager

PA Department of Transportation | Engineering District 2-0

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OLD BUSINESS

CORRESPONDENCES

PMAA will now bring topics to the attention of the Borough Manager, Bev Morris.

BILLS

It was motioned by Phil Hershey, seconded by Andy Dubots to pay \$2,500 retainer for 2015 to Solicitor George Stenhach. Roll call: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion passed.

It was motioned by Mark Peet, seconded by Andy Dubots to pay \$85 to the recording secretary for December 2014 meeting. Roll call: Mark Peet Yes, Andy Dubots Yes, Phil Hershey Yes, Marty Fry Yes and 0 No. Motion passed.

Meeting adjourned at 8:35 pm

Respectfully submitted,

Elizabeth Hensel

