



SPECIAL COUNCIL MEETING MINUTES  
September 16, 2014 @ 2:00 PM  
159 MONROE STREET  
PROSPECT, PA 16052

**CALL TO ORDER:** President Bill Marciniak called the Special Meeting of the Prospect Borough Council to order @ 2:00PM with a salute to the flag. The meeting was being held for a presentation by Pennsylvania American Water. The Council members who were present: Dave Stellfox, Sam Wagner, Mary Harmon, Bob Boice and Mayor Jim Butler. Glen Gitzen and Pete Bryan were absent.

**VISITORS:** Bernie Grundusky and Mark Smith from Pennsylvania American Water, Jim Shearer plus more residents of the Prospect Borough (see attached sign-in sheet).

Bernie Grundusky; Director Pennsylvania American Water, first wanted to thank the Borough for having this Special Meeting for this presentation by American Water. Mr. Grundusky also introduced Mark Smith; Pennsylvania American Water's Field Operations Manager.

Mr. Grundusky mentioned about talking to the Borough about two years ago and at that time it was a big cost to the Borough as we would have needed a booster pump station and the cost was roughly 10 million dollars. Mr. Grundusky said let's just fast forward now. Marcellus Gas Drilling and American water have been working with Rex Energy and XTO. XTO funded a project that will install 8,000 feet of water line and pump stations (see map attached, noted in red; Old Route 422). He stated that the water line construction will be completed the last quarter of 2014 and the pump station 2015 for project on Dick Road. American Water could extend this line from Dick Road to the Borough and we would have access to a pump station now; these are all PUC approved. Mr. Grundusky said they are here to inquire if the Borough is still interested as this would be considered a 7 million dollar project. Ms. Harmon asked if every resident would be able to get water in the Borough or is it selective. Mr. Grundusky said they will be going into a new municipality and we need to tell them where we want the water to be; he said start big and then can cut but need to get estimates on the table first. Mr. Boice asked if there was any grant money available and Mr. Grundusky

said Penn Vest could be an avenue. Mayor Butler asked if they would follow the existing sewage lines and Mr. Grundusky said they probably would do this do to gravity but would have to work with the individual home owners because in some cases right-a-ways. Mr. Grundusky said they would like to be our retail provider from a water stand point. Mr. Marciniak asked with Rex Energy and XTO setting up well heads around Prospect could they help us out. Mr. Grundusky stated they have a group of people that actually that is what their jobs are as to see what well heads are being put up and where. He mentioned this is a community benefit as to water trucks versus water being brought in. Mr. Stellfox asked if commercial rates were different than residential; per Mr. Grundusky there is a percentage difference. They look at usage data, metered and rates covered by the PUC. There are residential, commercial, and municipal and industrial rates; rates to be determined later. The residents would be required to disconnect from their well but they can still use their well for other purposes; the well would be considered a "Private Well". American Water would provide the water line to the curb and there would be no tap in fee to the resident. The resident would be required to pay from curb to house. We would be required to get fire hydrants and the Borough would be responsible for this rental fee; this is a positive for the Home Owner's Insurance. The Borough also would need an ordinance to require all residents to tap in to the water system; this is a revenue to the resident's investment. Mr. Wagner mentioned possibly bringing in the line from Old Route 422 through Eisler's/Acorn Lane. Mr. Grundusky said we will not have water contaminations; they pride themselves to comply down to 200. Across the state, over 650,000 customers, they have had one or two contaminations in the last couple years; this does not mean that the water is not safe as it exceeds all federal regulations and meets all specifications. American Water can provide us with the CCR's; this shows what chemicals are in the water. Mr. Stellfox says there are many good points of why we need to get water in the Borough; 1). Fire Insurance Drop in Costs, 2). Water Treatments Drop in Costs, 3). Variable Meter Rates, 4). Safe Water/State and Federal Regulated, 5). 10 Million Dollar Cost Versus 7 Million Dollar Cost a 30% Reduction, 6). Property Values Increase, 7). Rates Based on Usage, 8). Drilling Expansion plus possible Variable Sewer Rates. Mr. Grundusky told the council we need to put all pertinent information together but to go high first then we can scale back. He told the council to start with the main line first and use growth charts then they can get some numbers on the table, PUC approval and to look for funding.

Mr. Stellfox made the motion to continue with talks with Pennsylvania American Water; Ms. Harmon 2<sup>nd</sup>. Mr. Marciniak asked if there were any questions; Mr. Wagner asked how long is the process of getting the project completed. Mr. Grundusky stated two to three years; a ball park figure. He stated if ordinance was in place, the design and construction for the water lines were in place as of now it would take

approximately 18 months. Mr. Grundusky stated that the crew is putting in 1,000 feet of pipe per day. Mr. Marciniak asked if any other questions; there was none. Motion carried. Mr. Grundusky asked for a copy of our current sewer map and also wanted to thank us again for asking him and Mr. Smith to come in. Mr. Wagner told them they have a Sewage meeting every 3<sup>rd</sup> Tuesday at 9:00AM if they wanted to stop in.

Mr. Marciniak mentioned that at the Sewage Meeting this morning Eric Tissue; KLH Engineer, told them the Borough needed to purchase a hoist to lift the pumps. The existing one we have now is not tall enough. Mr. Tissue told the council members in the meeting it would cost approximately \$6,000. Shortly after the meeting Mr. Tissue called Mr. Marciniak and explained there may be modifications that need made to the cat walk after talking to his engineers. Therefore the price may be higher than \$6,000 and will let us know what they recommend. Mr. Marciniak stated we cannot put the new pumps in without this new hoist and we need to order as it will take 2 to 3 weeks for delivery. We also cannot rent a crane to do this; not feasible as we need to be able to lift from the center of the tank. Mr. Tissue recommended this hoist as it will be strong enough to lift the pumps but he also mentioned they never figured that this larger hoist would be needed when purchasing the new pumps. Mr. Marciniak asked a motion be made just to purchase the \$6,000 hoist for now and we will address and vote on the extras later. Ms. Harmon made motion to purchase the hoist for a cost of \$6,000; Mr. Stellfox 2<sup>nd</sup>. Motion carried.

Mr. Wagner made motion to pay the Walsh Equipment bill for \$212.82 that was previously motioned on George Wagner's agreement for purchasing pipe; Mr. Boice 2<sup>nd</sup>. Motion carried.

**APPROVAL OF MINUTES:** There were no changes to the September 2, 2014 Regular Council Meeting Minutes. Motion made by Ms. Harmon to approve; Mr. Stellfox 2<sup>nd</sup>. Motion carried.

Mr. Marciniak requested any information the council needed added to the Prospector to be put in his basket before the next regular meeting that will be held on October 6, 2014.

Mr. Boice wanted to let council know that the driveway for Mr. Shearer was not completed yet but will be this week. This was noted in September 2<sup>nd</sup> minutes as being done but this was completed for Mr. Shearer's next door neighbor instead.

Round Table:

Mr. Boice	No additional comments.
Mr. Stellfox	This Council Meeting was positive; possible funding for the future.
Mayor Butler	No additional comments.
Ms. Harmon	No additional comments.
Mr. Wagner	No additional comments.
Ms. Marzullo	No additional comments.
Mr. Marciniak	No additional comments.

**ADJOURN:** 3:08PM. No further business at hand, motion made by Mr. Wagner to adjourn; Mr. Boice 2<sup>nd</sup>. Motion carried.