Municipal Authority of Conneaut Lake
Board Meeting
March 11, 2024

Members –Alan Baldarelli, Jim Tigri
Members attending via Conference Call – Mario DeBlasio, Chris Gates
Others – Steve Halmi, Brian Cagle, Bob Morrow, Angela Perrine
Absent – Carl McLean
Visitors – Borough residents: Rob Brugnoli, Nicole Brugnoli Shafer, Jeannie Trudell; Sadsbury Township residents: Spencer Boyd, Bill Newell

Alan Baldarelli called the meeting to order at 6:33 p.m.

Mario DeBlasio made a motion we enter into Executive Session to review the proposed revisions to the Bulk Water Agreement with Reflections on Conneaut Lake and discuss the Easement Agreement with Ernst Farms. Alan Baldarelli seconded the motion. Roll call: unanimous – yea. (Motion carried)

Executive Session to review the proposed revisions to the Bulk Water Agreement with Reflections on Conneaut Lake and to discuss the Easement Agreement with Ernst Farms began at 6:35 p.m. Executive Session ended at 7:20 p.m. and regular meeting resumed at that time.

As the regular meeting resumed, the visitors were given an opportunity to ask any questions or provide any comments they may have had.

Spencer Boyd requested a written copy of Army Corp of Engineer report on the proposed water line. Steve Halmi explained to Mr. Boyd that MACL does not have access to that report as MACL is not preparing it and is not the applicant. Mr. Boyd then asked how he could locate it. Steve Halmi replied that he assumed if there was a permit filed with the DEP he may be able to get it at the DEP office. Steve Halmi wanted to reiterate that MACL is not a party to that.

Nicole Brugnoli Shafer requested an update on the status of the water line as well as any conversations occurring with Ernst Trail and how that MACL might be involved in that. She also asked if there were any notes from the last board meeting they could have that would be helpful or if there was anything the board would like to share with them that might be of help. She stated they are just trying to get as much information as possible. Alan Baldarelli replied that as for the Ernst Trail, MACL doesn't have anything to do with the trail coming through. Steve Halmi added that what was stated at the last meeting that the agreement that is being negotiated is to provide water at the boundary of the borough and how that water gets from there to the development is not our business.

Spencer Boyd questioned if the additional well is going to be installed within the confines of the borough. Jim Tigri answered that we don't have any ability to drill a well in the borough. Mario DeBlasio stated that wasn't correct. Alan Baldarelli added that all our studies show that most places would not produce a good well. Mario DeBlasio added there are challenges with the wells in the borough; it is not impossible but there are economically more beneficial places to install the wells. Those economic options would include compensation for any person providing the land or the well or anything pertaining to. We do have the ability, however there are many technical and logistical challenges. Alan Baldarelli also added there have also been two other large parcels that we have talked to the property owners, and we received a no from both of those parties. Other parties we have talked to haven't gotten back to us yet. So, we have received some no's and some no responses. We continue to search for other areas where we can drill wells. And we will proceed to take the next step with

one of those areas, and that will be on the course of the agenda tonight.

Rob Brugnoli asked if Ernst Farms wants to put a well in. Brian Cagle replied that we are negotiating where Ernst Farms will give MACL access to investigate and put a well in. Mr. Brugnoli asked to what benefit would it be for Ernst Farms to drill a well. Alan Baldarelli replied that Ernst Farms would be compensated for it. Steve Halmi reiterated the agreement is for MACL to drill a well but use Ernst's property which is for the benefit of the borough. Rob Brugnoli said he had thought it was Ernst Farms wanting to put the well in but now understands it's for the benefit of the borough. Mario DeBlasio said that on that subject matter, MACL has a solid water supply with multiples of redundancy with our current system. The subject matter of new wells being drilled for our current system, as it stands today, is proactive action by this board to head off problems that could come 10, 20, or 30 years down the road (under our current water/customer configuration). We are proactively working for agreements that fundamentally give us access to land to drill a well. We are acting in a proactive manner for an issue that is going to be 20 or 30 years down the line.

Alan Baldarelli asked Bob Morrow what the current well capacities are at. Bob Morrow answered with well #2 is probably at 100% but well #1 is probably operating at 35-40%. Alan Baldarelli added that this is another reason we are looking into drilling a new well, as it could be a lot sooner than the 20-30 years into the future that we could be in need of a new well.

Jeannie Trudell asked if it is possible to put a new well where our wells are currently. Steve Halmi replied that it's not impossible, however we've tried that area in the past and it was not as fruitful as we had hoped.

Spencer Boyd requested if the water capacity study/consumption report is publicly available. Mario DeBlasio replied with yes, that if he provides us with his email address, we will send it to him.

Spencer Boyd questioned if it would be more advantageous for MACL to look into purchasing property elsewhere so that way you are not running a drill on private property as that could possibly become an issue in the future. Alan Baldarelli and Brian Cagle replied with we are negotiating an agreement that would take care of that. Mario DeBlasio replied with yes - purchase, lease, access rights to, any of those options we are exploring right now to answer Mr. Boyd's question.

Jeannie Trudell questioned how we are going to get the water from Ernst property, as it is quite a distance from the water plant. She also asked if that is something the developer will cover the cost of. Alan Baldarelli reiterated that the Reflections on Conneaut Lake development has nothing to do with the Ernst property. Ms. Trudell questioned if that wasn't why we were drilling the well. Alan Baldarelli reiterated that MACL is not drilling a well for the Reflections on Conneaut Lake development.

It was then mentioned that we go through agenda as that may clarify some of the items in question.

Discuss and vote on the revision of the Bulk Water Agreement with Reflections on Conneaut Lake - Brian Cagle stated that in December we sent out a revised agreement to Frank Pelly's attorney. Part of the provision of that agreement contained two options for him. One option was to drill a well on property that he owned or had access of rights to that would produce 200 gallons per minute of water that required no more than disinfection. Or, the second option, drilling water on his property producing water no less than 110 gallons per minutes but he would have to make a one-time payment of $100,000 to MACL. That agreement included all of the requirements that he pay for the supply line to get that water to the authority, provide a deed or right to the well and the supply line to MACL, MACL process the water and then sell the quotable water to him at a point at the edge of the borough. Alan Baldarelli added that it would be metered and he would pay a bulk water amount. Brian Cagle said the quantities of water Mr. Pelly was initially talking about were around 15,000 – 17,000 gallons per day, normal use, up to 25,000 gallons per day expecting there may be days he exceeded the normal capacity, and we had a monthly maximum of 500,000 gallons for his bulk water purpose. They came back and made a number of revisions to the agreement. The first one being section D-1 which explained the

water quality. The revision there changed it from no greater than disinfection to a quality substantially similar to that of the quality of water from any other MACL owned well.

Mario DeBlasio made a motion we accept the Agreement change in D-1 in the Bulk Water Agreement with Conneaut Lake Properties and the Municipal Authority of Conneaut Lake request for revision dated January 11, 2024. Jim Tigri seconded the motion. Roll call: unanimous – yea. (Motion carried)

Brian Cagle explained D-2 and the requested change. In D-2 we asked fore the developer to provide us with a deed to the real estate on which he drills the well sufficient to cover the area the DEP would require MACL to have control over. They don't think that is going to be possible because they already have subdivision plans that have been approved and they're not sure they could make changes to those plans. So, they are offering an easement instead that will give MACL substantial control over that area and will allow MACL to restrict activities that go on in those areas. Brian Cagle stated that should be fine for DEP's purposes and therefore he doesn't see any significant harm to MACL by agreeing to that change.

Mario DeBlasio made a motion we accept D-2 change to the Bulk Water Agreement between Conneaut Lake Properties and the Municipal Authority of Conneaut Lake request for revisions dated January 11, 2024. Jim Tigri seconded the motion. Roll call: unanimous – yea. (Motion carried)

Brian Cagle explained the next change is D-3. D-3 had provided the option to have MACL drill the well and have the developer pay all MACL's cost related to drilling the well. They said they won't accept that option, and they want it removed from the Agreement. Mario DeBlasio clarified that states MACL won't drill the well and construct the well but Reflections on Conneaut Lake will be required to drill it, pay for it, construct it to our specifications and requirements that MACL's engineer will review and inspect. Alan Baldarelli inquired if we could add to follow all DEP regulations to the Agreement. Several different persons replied stating that is already in the Agreement. Mario DeBlasio noted to the visitors in attendance that MACL's attorney will make the changes to the Agreement and once he makes the changes, they would have access to it if they request it from the office.

Mario DeBlasio made a motion we accept proposed revision of D-3 for the Bulk Water Agreement between Conneaut Lake Properties and the Municipal Authority of Conneaut Lake request for revisions dated January 11, 2024. Jim Tigri seconded the motion. Roll call: unanimous – yea. (Motion carried)

Brian Cagle explained the change to D-4. If the developer drills the well and they can't produce the quantity or quality of water necessary if they canceled the Agreement because of that neither side would sue the other.

Mario DeBlasio made a motion we accept change D-4 to the Bulk Water Agreement between Conneaut Lake Properties and the Municipal Authority of Conneaut Lake request for revisions dated January 11, 2024. Jim Tigri seconded the motion. Roll call: unanimous – yea. (Motion carried)

Brian Cagle stated the other two items in the Agreement that they changed are in section E-1 & E-2 which are a significant increase in the quantity of water. The original Agreement had 500,000 gallons per month maximum. They are requesting in E-1 that it increase to 3,421,875 per quarter which would be more than doubling. In section E-2 it increases the daily amount from not to exceed 25,000 gallons to 37,500 gallons in a day.

Mario DeBlasio made a motion we reject the proposed change to E-1 & E-2 to the Bulk Water Agreement between Conneaut Lake Properties and the Municipal Authority of Conneaut Lake request for revisions dated January 11, 2024. Furthermore, we instruct our solicitor to draft a letter explaining that what is being asked for in E-1 & E-2 is basically to start the process at square one. And it's not that we're not open to that but we would need further water studies for the negotiation and it could take as much time as it did to get to where we're at today. Alan Baldarelli seconded the motion. Roll call: unanimous – yea. (Motion carried)

Mario DeBlasio wanted to note to the visitors in attendance that we have been negotiating with the developer for the past two years on the terms and conditions of providing bulk water at the borough's edge, which means we can't pick the route he is going to go or the method he is going to convey it. If he is going to use pipe, he has to do it to our specifications. But we are negotiating an Agreement basically to provide water inside the borough of Conneaut Lake and our water would be given to him there. And what we have just discussed, he has asked for some minor changes to the Agreement that are not detrimental to MACL, and one major revision to the Agreement that is possible we could do it but it would require a complete restart of the process and further water study and impact study and a lot of other work and we aren't really interested in that. Mario DeBlasio added we are interested in whatever is best for the rate payers of MACL. We now voted on those revisions and are sending the Agreement back to the developer and if he doesn't agree with the current negotiated water amounts then it just sits there - it does nothing until he tells us he definitely wants more water. So right now, it is in limbo – it will be awaiting his counteroffer acceptance. Once our attorney amends that Agreement or sends the official letter, it will be official and all you will need to do is write an email to Angela Perrine and you can get a copy. Mario DeBlasio added that Angela Perrine is able to give anyone his phone number and they can ask him any question they would like.

Nicole Brugnoli Shafer questioned if we had a red-lined copy between the first version and the final version as she has the initial version. Mario DeBlasio replied that Angela Perrine could send that to her as it is all public information.

Steve Halmi reported that there are two agreements being contemplated with Ernst Farms. One agreement is the Site Access Agreement which will allow MACL to explore areas on their property for potential well sites. The other agreement is an Easement Agreement that if a suitable well site is found it would grant MACL the ability to construct and operate a well on their property. In the Site Access Agreement Ernst Farms were agreeable to reducing the payment amount from $5,000 to $100 to start the exploration on their property. The Easement Agreement still has an annual payment of $12,000 per year if a well is developed. Jeannie Trudell asked who pays the money to Ernst Farms. Steve Halmi replied that MACL would pay Ernst Farms. Mario DeBlasio wanted to note that what we are discussing right now is an agreement with MACL and Ernst Farms. It has nothing to do, at this moment, with the possible water supply to Reflections on Conneaut Lake. This is simply MACL trying to find an economically viable suitable location for a future well somewhere down the line. Nicole Brugnoli Shafer asked if the annual payment is a calendar year or a fiscal year. Steve Halmi answered that it's a calendar year, and it's not due until we have a production well that is producing water.

Steve Halmi noted that the proposed changes Ernst Farms had were to restrict the area to be investigated to the approximately 5 acres that are outlined on the map presented.

Mario DeBlasio made a motion we authorize the solicitor to amend our proposed Agreement with Ernst Farms and deliver the proposed amendments to their approval. Alan Baldarelli seconded the motion. Roll call: unanimous – yea. (Motion carried)

Mario DeBlasio added to those in attendance that once the Agreement is amended anyone can have a copy of the Agreement and even the original Agreement if they'd like.

Steve Halmi stated he has the plans and the bidding documents ready to be advertised for the Sixth Street Sewer Repair Project. Steve Halmi stated as we had discussed and as directed, the repair will be done by open cut method for the entire length of the project rather than the trenchless technology. The bid documents were written so that they are ready to advertise and we could potentially have bids, in hand, for your next meeting if you want to proceed. We are proposing to use PennBid for the bidding process which is used by a number of municipal authorities and municipalities that have used it many times successfully, and makes the process more efficient. As it stands right now, we propose to have bids due April 4, 2024.

Mario DeBlasio made a motion we authorize the engineer to advertise the Sixth Street Sanitary Sewer Repair bids and to gather bids. Alan Baldarelli seconded the motion. Roll call: unanimous – yea. (Motion carried)

Steve Halmi wanted to note that MACL would be responsible for paying the advertising like previous projects.

Jim Tigri wanted to discuss the property with encroachment on our sewer line (onto our right of way). Jim Tigri discussed a letter that the property owner submitted to the board. Jim Tigri stated there have been several meetings with the property owner over the past year and several negotiations and several tried attempts to solve the problem. But the property owner is concerned with the handicap ramp and deck during construction and the open trench that would cause him a great deal of aggravation. The property owner has agreed to moving his building or making arrangements to his building but his not wanting to lose the use of his handicap ramp or deck. Jim Tigri is wanting to amend the bid project due to this issue. Steve Halmi said if he amends the bid packet it would be difficult to have it ready for the April meeting. Jim Tigri said he doesn't feel we have an option.

Jim Tigri suggested we would have to line that section from the right of way of Church Alley from Sixth Street and then dig the rest. Alan Baldarelli verified that the DCED wouldn't have an issue with this change to the grant that was written.

Mario DeBlasio stated he would like to voice his opinion on the subject matter. Mario stated we have discussed this subject matter four different times and four different times we came up with the same answer. Mario asked Brian Cagle what our right to access and repair and replace our facilities are in a right of way. Mario wanted to know if we are within our legal rights. Brian Cagle replied with as long as the line is within the easement or right of way you have the right to do what you need to do to fix it. Mario DeBlasio noted there are old supply lines that are failing and people are going to be replacing them over the lifetime of this improvement. Mario added we should put a modern system in with modern PVC pipe that allows for future connection to be made that won't damage the line. Mario added we need to start to rebuild our system. Mario made mention that we are talking about someone with a few thousand dollars' worth of improvements in value that's going to change the course of this decision and that he doesn't agree with that. Mario said he is representing the rate payers and if we do the open trench to the whole project, we will have a product that will last us 60 years.

Following discussion, Mario DeBlasio stated he was voting (in the previously made motion) to advertise for open trench excavation for the entire Sixth Street Project. Roll call for open trench excavation for the entire project was unanimous – yea.

Steve Halmi wanted to reiterate that our bid specification states that the existing wood deck and ramp will be removed by the property owner prior to construction. Jim Tigri agreed that the property owner did initially agree to that. Our bid specification, in regards to the roof that overhangs, the roof would remain during construction but the south wall of the storage bay and a portion of the east wall would be removed by the property owner prior to construction. The west side of the storage bay is open without a wall. Temporary supports for the roof will be furnished, installed, and maintained by the property owner. Temporary supports will be approximately 10 feet horizontally offset from the center line of the sanitary sewer, and the contractor shall perform sewer replacement with roof in place and temporary support as described herein.

Mario DeBlasio stated he wanted to be on the record saying we are going to send out bid documents with a vague, what he believes to be, highly technical difficult process. A section of bids that a contractor is going to have to agree not to damage a roof that's 10 feet over his head. He's going to have to dig a trench, throw the spoils out, recompact everything and will not be able to bring a wheel loader in to dump their stuff into because they can't have anything over 10 feet high. He's going to have to agree to all these requirements and he is going to put extra money in the bid to do this. This is exactly what I voted against doing.

Mario DeBlasio suggested changing the bid specification to at least put language in that says if the contractor believe it's feasible - at the contractor's sole discretion, the roof can be left or removed. Alan Baldarelli asked if that language is in the bid package. Steve Halmi replied that it is not in the bid package.

Mario DeBlasio made a motion we change the language in the proposal to read at the contractor's sole discretion the subject roof will remain in place or be removed by others. Alan Baldarelli seconded the motion. Roll call: unanimous – yea. (Motion carried)

Steve Halmi stated he will make that change to the bid package and get it advertised.

Angela Perrine questioned that on a final shut off notice if a customer pays a portion of the total due should they still get their water turned off as the notice states that the amount needs to be paid in full. Jim Tigri stated in that event the customer would need to come before the board to possibly make payment arrangements, like it has been handled in the past. Several board members said if it is not paid in full it gets turned off. Later in the meeting Mario DeBlasio added to this subject matter that he believes our rules only allow shut off if the customer is 90 days late. Therefore, if the customer is 90 days late and pays at least one month's worth, that would put them under the 90 days and they would not get shut off. Mario DeBlasio added that if the customer is more than 90 days late and we have issued a shut off notice, we have to shut them off or the customer has to come to the board. If the shut off notice is on a date before the board meets, we have to shut them off, but that's only if they remain at least 90 days in the rear.

Angela Perrine also addressed an issue of a possible reimbursement of a customer that has two meters and has been charged for two meters, but has recently been made aware one meter is simply to track hot water usage. Bob Morrow explained that there are two meters to an apartment complex with four apartments in the building. One meter monitored the inflow of water from the street with one service line coming in. At one point in time, the property owner put a second meter in so he could monitor the hot water. Bob explained that we should be reading just the one meter (using reads from both meters thus calculating the total read). The customer is currently receiving two separate bills, one for each meter. Mario DeBlasio suggested to discuss this matter next month and requested pictures of the meters in question. Alan Baldarelli stated we need to table this discussion until next month as we need more information.

Bob Morrow mentioned that last month there was a water leak at 260 Maple Street. We were losing about 10,000 gallons of water a day. The repair was made to that line around February 16, 2024.

Bob Morrow also discussed testing from the EPA that was done in 2023 that was for synthetic chemicals, known as PFAS & PFOS. He got the results back, and we are in compliance with all the chemicals with the exception of lithium. Bob noted the lithium amount is not exceeding the MCL level but it is something to be concerned about in the future. Bob said the EPA has not set a requirement yet for lithium. But in the future, we will need to be aware of it. Bob Morrow also mentioned he had testing done from the DEP the first quarter of this year and the results all came back good. The PFAS was 1.70 and the PFOS was 1.57. The MCL for the PFAS is 14 parts per trillion, therefore we are well below our exceedance level for those. This will all need to be put in our CCR report in June when we send it out. Bob added he has three more sessions of testing to complete this year.

Brian Cagle left the meeting at 8:45p.m.

Minutes of previous meeting – (Baldarelli/Tigri)
Profit and Loss Statement – (Tigri/Baldarelli)
Aged Accounts **–** (Reviewed)
Bills presented for payment – (DeBlasio/Baldarelli)

Adjournment – 8:58 p.m. (DeBlasio/Baldarelli)