

**Special Meeting of City Council
November 6, 2024**

City Council met in person for regular session on Monday November 4, 2024, and streamed live over YouTube and Facebook, in Lock Haven, Pennsylvania. The meeting was called to order at 7:00 PM by Mayor Long who opened the meeting with a moment of silence followed by the Pledge of Allegiance.

Roll was called and present were Council Members Heather Alexander, Barbara Masorti, Jeffery Brinker, and Mayor Long.

Also in attendance was City Manager Gregory Wilson, Richard Marcinkevage, James Hanna, Wilson Riccardo, Reed Mellinger, June Houser, Greg Mayes, Vince Shay, Mark Glenn, Jim Balliet, and Devin Jarrett.

PUBLIC COMMENTS AND REQUESTS

There was no public comment at this time.

UNFINISHED BUSINESS

Mr. Glenn addressed Council regarding the city's water supply dam projects, specifically Upper Castanea, Keller, and Ohl Dams, which were evaluated in 2015. He noted that all dams needed upgrades, with Ohl being the first to be completed in July, now fully compliant with DEP standards. The next project involves Keller Dam, where preliminary engineering has been completed and approvals have been received from DEP for flood flows and geotechnical work. The project is estimated to cost \$18 million and includes a new spillway and measures to address leakage and seepage issues. The Upper Castanea Dam, inactive for 30 years, was deemed unsafe by DEP in 2019 and is permanently drained and will be removed, with potential benefits including the restoration of a natural stream. Mr. Glenn also mentioned the possibility of a FEMA grant for the Upper Castanea Dam of 1.75 million dollars.

Mr. Balliet discussed the Keller Dam improvements and the supplemental water wells. The first step is to develop a supplemental source, with wells in the Youngdale area being fitted and connected during the water emergency last year. The next step is connecting the wells to the water treatment plant. The wells have the capacity to pump 1.4 million gallons a day and have good water quality. When the geological report is complete, the project will be submitted to DEP and the Susquehanna River Basin Commission for permits, with the aim to get funding through PENNVEST by the end of July. The construction is planned to start in the fall of next year and be completed the following year. The final step is to complete improvements at Keller to get the dam into compliance with the Dam Safety Act.

The Filtration Authority explained that it initiated a meeting to clarify misconceptions about the water system projects and to discuss how to approach them in a cost-effective and timely manner. The significant investments in the dam projects and shared projects were highlighted by the authority, and the need to move these projects along quickly to reduce inflationary costs and take advantage of potential federal funds. The Filtration Authority mentioned the potential for combining the water systems but emphasized that the projects must be completed regardless of the system's future. discussed the specifics of the Keller dam project, including the need to upgrade the intake and diversion systems, and the construction

of bridges for traffic. Mr. Glenn answered questions from Council and the City Manager regarding the projects. He suggested a timeline for the completion of the water supply program by the end of the decade.

Mr. Glenn discussed the city's plan to enter into a consent order and agreement with DEP, which would commit the city to completing projects within specified timeframes and explained the PENNVEST Debt service process. The City Manager also noted that the city's Water Fund is currently in a negative balance, requiring a loan from the general fund. The City Manager further discussed the potential for a PENNVEST surcharge through the PUC application process but cautioned that it would take a year or two before any of the debt service could be recovered from customers because a surcharge can't be used until the project is completed. It was mentioned that the Federal infrastructure bill and the possibility of getting in under the deadline but emphasized that it would depend on DEP permits.

The City Manager discussed the affordability threshold for residential customers, noting that the current average annual expense of \$380 for the average household is below the \$520 threshold last quoted by PennVEST required for grant funding for city customers. The City Manager also explained the rate model, which takes into account the weighted average of all municipalities involved, and the impact of higher median household income on the dollar amount. Suburban discussed that it has already been implementing a rate increase to cover the project's share, which has been a topic of discussion for several years.

There was discussion about the Filtration Authority and the Lock Haven City Authority offering to pay for the cost of the final engineering for Keller Dam. The City Manager stated that the attorneys from Eckert Seamans requested that Council meet with them before taking action on accepting proposals.

The City Manager discussed the ongoing negotiations with advocacy groups regarding the PUC rate increase, while highlighting the city's financial constraints, emphasizing the challenges of fronting multi-million dollar projects while awaiting reimbursements, which could impact the city's ability to meet other obligations.

Suburban discussed the ownership and operation of wells and other assets. It was agreed that the wells should be in the city's name because the debt is in the city's name, while the operation would be under the control of the Filtration Authority. The Filtration Authority shared that when it borrowed funds to build their plant, that they also improved other infrastructure for the city and Suburban's systems with a portion of that borrowing. While the debt service was being paid, the assets were in the name of the Filtration Authority. When the debt was retired, the Filtration Authority decided to turn over those individual assets to each respective system. It was agreed to continue on the current path, with the possibility of changing the arrangement once the debt is paid off.

The cost sharing agreement between the city and Suburban for the Filtration Authority's projects was discussed. The original cost-sharing agreement specified cost-sharing based on operation and maintenance, but did not anticipate the additional \$35 million in projects. The updated cost-sharing agreement covers all projects except Upper Castanea Dam. City Council discussed that ownership of assets like wells should ultimately transfer to the Filtration Authority, and not be shared between the city and suburban, and a clear written agreement on the future of cost-sharing be written up.

OTHER MATTERS

ADJOURNMENT

At 7:18 p.m., the meeting was adjourned.